



Georgia Procurement Manual

Department of Administrative Services State Purchasing Division

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A handwritten signature in black ink, appearing to read "Brad Douglas".

Brad Douglas, Commissioner

Table of Contents

Document Revisions

Chapter 2:	Revision: September 2003.....	x
Chapter 3:	Revisions: September 2003.....	x
Chapter 9:	Revisions: September 2003.....	xi
Chapter 9:	Revisions: May 2004.....	xi
Chapter 3:	Revision: August 2004.....	xii
Manual:	Revision: August 2004.....	xii
Chapter 9:	Revision: August 2004.....	xii
Standard Forms:	Revision: August 2004.....	xii
Chapter 2:	Revision: October 2004.....	xii
Chapter 3:	Revision: October 2004.....	xiii
Chapter 2:	Revision: January 2005.....	xiii
Chapter 3:	Revision: January 2005.....	xiii
Manual:	Revision: June 2005.....	xiii
Chapter 2:	Revision: June 2005.....	xiii
Chapter 3:	Revision: June 2005.....	xiv
Chapter 4:	Revision: June 2005.....	xiv
Standard Forms:	Revision: June 2005.....	xiv
Contracts and Clauses:	Revision: October 2005.....	xiv
Chapter 2:	Revision: January 2006.....	xv
Chapter 3:	Revision: January 2006.....	xv
Chapter 5:	Revision: January 2006.....	xvi
Chapter 9:	Revision: January 2006.....	xvi
Appendix:	Revision: January 2006.....	xvi
Manual:	Revision: January 2006.....	xvii
Chapter 2:	Revision: March 2006.....	xvii

Chapter 3:	Revision: March 2006	xvii
Chapter 9:	Revision: March 2006	xvii
Chapter 3:	Revision: June 2006.....	xviii
Chapter 6:	Revision: June 2006.....	xviii
Notice: June 2006 (Notice of Intent to Award Effective July 1, 2006) See the following chapters, sections and items for inclusion of Notice of Intent to Award..... xviii		
Notice: June 2006 (Protest Procedure Effective July 1, 2006) See the following chapters, sections and items for upcoming changes to Protest Procedures..... xviii		
Notice: June 2006 (Public Inspection Effective July 1, 2006) See the following chapters, sections and items for upcoming changes to Public Inspection..... xix		
Standard Forms:	Revision: June 2006.....	xix
Chapter 2:	Revision: August 2006	xix
Chapter 3:	Revision: August 2006	xix
Appendix:	Revision: August 2006	xx

Chapter 1: General Provisions

Section 1: Purpose and Application	1-1
1.1 Purpose	1-1
1.2 Applicability and Use of the GPM	1-1
1.3 Requirement of Good Faith.....	1-1
Section 2: Purchasing Laws and Regulations.....	1-2
2.1 Official Code of Georgia (O.C.G.A.) Governing Legal Authority	1-2
2.2 Official Code of Georgia (O.C.G.A.) Governing Administrative Authority	1-2
2.3 Deviations.....	1-3
2.4 Duties and Powers of the State Auditor	1-3
2.5 Purchases Contrary to Purchasing Rules	1-3
Section 3: Public Access to Procurement Information.....	1-3
3.1 Open Records Act.....	1-3
3.2 Public Inspection	1-4
Section 4: Web Site Information	1-4
4.1 Georgia Procurement Registry.....	1-4
4.2 Vendor Registration	1-4
4.3 NIGP Codes – Lists and Searches	1-4
4.4 Purchasing Contracts.....	1-5
4.5 State Purchasing Staff Directory	1-5
4.6 State Agency Procurement Contacts.....	1-5
4.7 Vendor Tools.....	1-5

4.8	Agency Tools	1-5
4.9	Mandatory Source	1-5
4.10	Related Web Sites	1-5

Chapter 2: Procurement Organization

<i>Section 1: Authority of DOAS, State Purchasing Division</i>	<i>2-1</i>
1.1 Purchases by State Governmental Entities	2-1
1.2 Purchases by Local Political Subdivisions	2-1
<i>Section 2: Authority and Duties of Procurement Officials</i>	<i>2-1</i>
2.1 DOAS Commissioner	2-1
2.2 State Purchasing Division Assistant Commissioner	2-1
2.3 Agency Procurement Officer	2-1
<i>Section 3: Exemptions from State Purchasing Requirements</i>	<i>2-2</i>
<i>Section 4: Delegation of Authority to State Agencies</i>	<i>2-3</i>
4.1 Delegated Purchasing Authority	2-3
4.2 Initial Request of Delegated Purchasing Authority	2-4
4.3 Exceeding Delegated Purchasing Authority	2-5
4.4 Increasing Delegated Purchasing Authority	2-5
<i>Section 5: Mandatory Purchases</i>	<i>2-6</i>
5.1 Statewide and Agency Contracts	2-6
5.2 Statewide Purchases or Agency Contracts	2-6
5.3 Statutory Mandatory Sources	2-6
<i>Section 6: Emergency Purchases</i>	<i>2-6</i>
<i>Section 7: Procurement Training and Education</i>	<i>2-7</i>
7.1 Assessment of Agency Training Needs	2-7
7.2 Training Topics	2-7
7.3 Professional Associations	2-7

Chapter 3: Source Selection and Contract Formation

<i>Section 1: Procurement Process</i>	<i>3-1</i>
1.1 Policy	3-1
1.2 Procedure	3-1
<i>Section 2: Order of Precedence</i>	<i>3-2</i>
2.1 Policy	3-2
2.2 Procedure	3-3
<i>Section 3: Methods of Procurement</i>	<i>3-3</i>
3.1 Request for Quotation (RFQ)	3-3
3.2 Request for Proposal (RFP)	3-4

3.3	Request for Information (RFI)	3-4
3.4	Request for Qualified Contractor (RFQC)	3-4
<i>Section 4: Noncompetitive Procurement.....</i>		<i>3-4</i>
4.1	Policy	3-4
4.2	Procedure	3-4
<i>Section 5: Competitive Procurement</i>		<i>3-5</i>
5.1	Policy	3-5
5.2	Procedure	3-5
5.3	Minimum Bid Policy	3-5
5.4	E-Quote Bids	3-6
5.5	Informal Written Solicitations	3-6
5.6	Formal Sealed Bids	3-7
5.7	Competitive Sealed Proposals	3-14
5.8	Cancellation of Requests for Quotes or Requests for Proposals	3-17
5.9	Reverse Auctions	3-18
5.10	Compliance with Federal Requirements	3-18
5.11	Electronic Solicitation	3-18
<i>Section 6: Types of Procurements</i>		<i>3-19</i>
6.1	Agency Contracts	3-19
6.2	Types of Agency Contracts	3-20
6.3	Insurance Limits	3-21
6.4	Multi-Year Contracts	3-21
6.5	Piggyback Cooperative Purchasing	3-22
6.6	Notice of Award Amendments	3-22
6.7	SPD Established Contracts	3-23
6.8	Statewide Contracts	3-24
6.9	Sole Source	3-27
6.10	Sole Brand	3-28
6.11	Pre-Bid Procurements (Expedited Procurement Method)	3-29
6.12	Purchasing Card	3-29
6.13	Emergency Purchases	3-32
6.14	Surplus Property	3-33
6.15	Purchase of Used Equipment	3-33
<i>Section 7: Special Approvals</i>		<i>3-34</i>
7.1	Office of Fleet Management Approval of Motor Vehicles	3-34
7.2	Technology Products and Services	3-34
7.3	Trade-In of Used Equipment	3-34
<i>Section 8: Inspection of Plant and Audit of Records.....</i>		<i>3-35</i>
8.1	Right to Inspect Plant	3-35
8.2	Right to Examine Records	3-35
8.3	Procurement Records	3-35
8.4	Purchasing Process Reviews	3-35

8.5	Desk Audits	3-37
<i>Section 9: Determinations and Reports</i>		<i>3-37</i>
9.1	Finality of Determinations.....	3-37
9.2	Reporting of Anti-Competitive Practices	3-38
9.3	Retention of Procurement Records.....	3-38

Chapter 4: Specifications

<i>Section 1: Specifications</i>		<i>4-1</i>
1.1	Performance Specifications	4-1
1.2	Design Specifications.....	4-1
1.3	Combination of Performance and Design Specifications.....	4-2
1.4	Alternative Specifications	4-2

Chapter 5: Construction

<i>Section 1: Contracting for Construction</i>		<i>5-1</i>
<i>Section 2: Bonds and Insurance</i>		<i>5-3</i>
2.1	Bid Security	5-3
2.2	Contract Performance and Payment Bonds	5-3
2.3	Insurance and Indemnification	5-4
<i>Section 3: Change Orders.....</i>		<i>5-4</i>

Chapter 6: Contract Administration

<i>Section 1: Agency Responsibilities</i>		<i>6-1</i>
<i>Section 2: Functions of the Contract Administrator</i>		<i>6-1</i>
<i>Section 3: Contract Management</i>		<i>6-2</i>
3.1	Kickoff Meeting.....	6-2
3.2	Contract Administration Plan.....	6-3
3.3	Monitoring by Outside Vendors.....	6-4
3.4	Delivery of Goods and/or Performance of Services.....	6-4
3.5	Project Manager Responsibilities.....	6-5
3.6	Contract Specialist Responsibilities	6-6
3.7	Withholding Payments and Liquidated Damages	6-6
3.8	Change Management.....	6-7
3.9	Termination	6-9
<i>Section 4: Contract Closeout</i>		<i>6-12</i>
4.1	The Closeout Process.....	6-12
4.2	Responsibilities	6-12

<i>Section 5: Vendor/Contractor Performance</i>	6-13
5.1 Contractor Performance.....	6-13
5.2 Complaints against Vendor/Contractors	6-13
5.3 Failure to Satisfactorily Respond to the Complaint.....	6-14
5.4 The Complaint to Vendor (CTV)	6-14
<i>Section 6: Contract Clauses</i>	6-15
6.1 Contract Clauses.....	6-15
6.2 Standard Terms and Conditions	6-15

Chapter 7: Cost Principles

<i>Section 1: --- Reserved ---</i>	7-1
--	-----

Chapter 8: Fleet Management

<i>Section 1: --- Reserved ---</i>	8-1
--	-----

Chapter 9: Legal and Contractual Remedies

<i>Section 1: Formal Protest and Informal Complaint Process</i>	9-1
1.1 Filing for Formal Protests for Solicitations \$100,000.00 or more.....	9-1
1.2 Form of Protest	9-1
1.3 Stay of Procurement During Formal Protests for Solicitations \$100,000.00 or more	9-1
1.4 Decision by State Purchasing Division Assistant Commissioner.....	9-2
1.5 Costs	9-2
1.6 Request for Formal Review and Time for Filing.....	9-2
1.7 Final Decision.....	9-3
1.8 Exempt Entities/Categories Protest Process	9-3
1.9 Informal Complaint Process for Solicitations over \$5,000.00 and less than \$100,000.00	9-3
<i>Section 2: Suspension or Debarment</i>	9-3
2.1 Causes for Debarment or Suspension.....	9-3
2.2 Responsibilities of the APO.....	9-4
2.3 Suspension Procedures	9-4
2.4 Effect of Decision to Suspend	9-5
2.5 Request for Hearing	9-5
2.6 Hearing Procedures	9-5
2.7 Determination of Hearing Officer - Final Decision.....	9-5
<i>Section 3: Solicitation or Awards in Violation of the Law</i>	9-6
<i>Section 4: Purchase of Beef</i>	9-6
<i>Section 5: Taxes</i>	9-6
5.1 State Taxes from which State Agencies are Exempt.....	9-6

5.2	State Taxes from which State Agencies are not Exempt.....	9-7
5.3	Federal Excise Taxes from which State Agencies are Exempt	9-7
5.4	Federal Excise Taxes from which State Agencies are not Exempt	9-7
Section 6: Interest		9-8

Chapter 10: Intergovernmental Relations

Section 1: --- Reserved ---	10-1
-----------------------------------	------

Chapter 11: Assistance to Small and Minority Owned Businesses

Section 1: Minority Business Participation	11-1
Section 2: Georgia Income Tax Incentive	11-2

Chapter 12: Ethics in Public Procurement

Section 1: --- Reserved ---	12-1
-----------------------------------	------

Glossary

Section 1: Commonly Used Acronyms	G-1
Section 2: Definitions	G-2

Appendix

Section 1: Standard Forms	A-1
BID CONTINUATION SHEET	A-2
BIDDER'S RESPONSE FORM	A-3
COMPLAINT TO VENDOR	A-5
CONTRACT ASSESSMENT REPORT	A-6
DESIGNATION OF AGENCY PROCUREMENT OFFICER	A-7
EMERGENCY JUSTIFICATION	A-8
EXCISE TAX EXEMPTION CERTIFICATE	A-9
NOTICE OF AWARD/AMENDMENT	A-10
PURCHASE ORDER	A-11
PURCHASE REQUISITION	A-12
REQUEST FOR QUOTE	A-13
REQUEST TO EXCEED AGENCY DELEGATED PURCHASING AUTHORITY (DPA)	A-14
REQUEST TO INCREASE DELEGATED PURCHASING AUTHORITY (DPA)	A-15
SOLE BRAND	A-21
SOLE SOURCE	A-23

<i>Section 2: Sample Contract Clauses</i>	A-25
2.1 Subcontracts/Assignment Clause	A-25
2.2 Payment Clause	A-25
2.3 Payment Clause (Hourly Billing)	A-25
2.4 Limitation of Liability Clause.....	A-26
2.5 Termination Clause	A-27
2.6 Funding Clause	A-28
2.7 Contractor Accounting Requirements Clause.....	A-28
2.8 Insurance Clause Sample 1	A-29
2.9 Insurance Clause Sample 2.....	A-30
2.10 Indemnification Clause	A-32
2.11 Drug-Free Workplace Clause.....	A-32
2.12 Taxes Clause	A-33
2.13 Cure and Cover Clause.....	A-33
2.14 Reporting Requirements Clause	A-34
2.15 Relationship of the Parties Clause	A-34

Index

Document Revisions

Chapter 2: Revision: September 2003

Section	Revision
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Section 4.2	“Initial Request for Delegated Authority:” New Policy- applies where an agency has not received delegation of authority in the past.
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Chapter 3: Revisions: September 2003

Section	Revision
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Section 1	“Source Selection and Contract Formation”: Revised policy guidance on the Procurement Process where Section 1.1 contains overall policy guidance and Section 1.2 provides purchasing procedure from identification of the need to Notice of Award and issuance of Purchase Order.
Section 3	Changed to “Methods of Procurement”. This section contains a description of the Request for Quote, Request for Proposal, Request for Information, and Request for Qualified Contractor.
Section 4	Revised to “Noncompetitive Procurement”.
Section 4.6	Section 4.6 Suspension or Debarment, Vendor name Matching” and former Chapter 3, Section 4.7 “Qualification and Duties” have been deleted. Requirement that APO review Suspension Debarment List prior to the award of contract is now contained in Chapter 3, Section 1. The revised Section 1 also contains guidance concerning determination of responsibility of vendors/contractor prior to contract award. Removal of language on pre-qualification of vendors (GPM former Chapter 3, Section 4.7 (a) (b)) language removed because Open Records Act provides broad access to information contained in public records in the State of Georgia.
Section 5	“Procurement Types” has been revised and the former Section 5 is now Section 6 “Types of Procurements” and Section 6.2 is titled “Types of Agency Contracts”.
Section 5	Revised to “Competitive Procurement”. Minimum Bid Policy is now part of Section 5 and is located at Section 5.3
Section 5.5	Changed the coding policy to include information on the use of “99999” code for purchases under \$500.00. Section 5.51 includes new expanded purchase type codes.
Section 5.8	New policy on “Reverse Auctions” as a form of competitive bidding added.

- Section 8.4 Changed from “Purchase Process Reviews” to “Purchasing Process Reviews”. The entire section has been revised in accordance with the expanded Purchasing Process Review program.
- Section 9.3 Retention of Procurement Records revised. Former GPM restated guidance contained within the Secretary of State guidelines to state agencies. Language has been deleted and replaced with a link to the Secretary of State website. Secretary of State Records Management Program provides specific guidelines and standards that must be followed by state agencies. Revised GPM notifies agencies of their responsibility for establishing agency record retention schedules.

Chapter 9: Revisions: September 2003

Section	Revision
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|-------------|--|
| Section 1.3 | Revised to name the “Director of State Purchasing”, instead of the “State Procurement Administrator” as the responsible party to render a decision on Protest Appeals. |
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Chapter 9: Revisions: May 2004

Entire Georgia Procurement Manual: “State Purchasing Division Director” replaces “State Procurement Administrator” and “SPDD” replaces “SPA.”

Section	Revision
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- | | |
|-------------|--|
| Section 1.1 | Revised to state the protest is considered to be properly filed when it is received by the Director of State Purchasing instead of by the Issuing Officer. |
| Section 1.3 | Revised to state that no award of a contract shall be issued until a final decision is made on a protest without the Director of State Purchasing making a determination to do so. |
| Section 1.4 | Revised to Decision by Director of State Purchasing, replacing Decision by Issuing Officer. |
| Section 1.6 | Three (3) days revised to three (3) business days.

Revised to state that the Commissioner of the Department of Administrative Services shall receive requests for a formal review of the protest decision made by the Director of State Purchasing, replacing the Director of State Purchasing. |
| Section 1.7 | Revised to state that the decision of the Commissioner of the Department of Administrative Services is final, replacing the Director of Purchasing. |

Chapter 3: Revision: August 2004

The manual has been updated to reflect the following changes regarding the posting of Sole Source procurements. Agencies must publish all Sole Source procurements over \$5,000.00 to the Georgia Procurement Registry for a minimum of three (3) business days. This update is reflected in Sections 1.2, 5.5 and 6.8.

Manual: Revision: August 2004**Chapters 3, 5, 9 and Appendix “Request For Quote Instructions and Additional Terms and Conditions”**

To clarify the use of the terms Bid Closing and Bid Opening, the manual has been updated where appropriate to reflect “Bid Closing Date/Time,” “bid closing,” “public bid closing” and “public bid opening and reading of bids.” These changes are in accordance with the RFQ form and PeopleSoft.

Chapter 9: Revision: August 2004**Section Revision**

Section 1.1 Updated to state that protests sent by fax or email will not be accepted.

Standard Forms: Revision: August 2004**Section Revision**

Purchase Order Updated from three (3) to nine (9) purchase types.

Notice of Award/Amendment Updated to include address section for Agency and Vendor.

Chapter 2: Revision: October 2004**Section Revision**

Section 3 3.c. Changed from the Georgia Merit System to Department of Community Health.

Chapter 3: Revision: October 2004**Section Revision**

- Section 5.5 3.c. Revised Sole Source solicitations valued over \$5,000.00 to \$5,000.00 and over. Business days have changed to calendar days for all solicitations other than Sole Source procurements.
- Section 5.5 5.b. Updated number 1) to include the word rejected in the second sentence and deleted number 2) in its entirety.

Chapter 2: Revision: January 2005**Section Revision**

- Section 3 3.d. Updated Georgia Merit System exemption status for flexible benefits.

Chapter 3: Revision: January 2005**Section Revision**

- Section 5.4 Added new section for E-Quote as another method for soliciting bids.
- Section 6.3 Added new section for insurance limit coverage.

Manual: Revision: June 2005

“State Purchasing Division” replaces “State Purchasing Office.”

“SPD” replaces “SPO.”

“Vendor Relations” replaces “Governor’s Small Business Center.”

The website address has been updated to reflect the new portal address at statepurchasing.doas.georgia.gov.

Chapter 2: Revision: June 2005**Section Revision**

- Section 3 3.a. Professional Services has been re-stated and includes interior design and landscape architecture to the list of professions.

Section 6 Emergency Purchases – Requirement that a copy of the PO must be included in the documentation submitted to the SPD.

Chapter 3: Revision: June 2005

Section	Revision
Section 5	5.3 - 2. Updated the monetary values on the Minimum Bid Policy Chart.
Section 5	5.6 - 3.c. Updated the monetary values on the Competitive Solicitations Guidelines.
Section 6	6.8 - 2.a. Waivers have been clarified to include the following: “Approvals will be limited to purchases with a specified time frame and/or dollar value.”
Section 6	6.13 – 3. Requirement that a copy of the PO must be included in the documentation submitted to the SPD.

Chapter 4: Revision: June 2005

Section	Revision
Section 1	1.4 - 1. Replaced the phrase “...preferred to list three brand names . . . with the phrase “If possible, more than one brand name may be used . . .”.

Standard Forms: Revision: June 2005

Deleted the wording “Statewide Business Services.”

The “Signature Authorization” form has been deleted from the manual.

The “Attn:” line on the Designation of Agency Procurement Officer, Emergency Justification and the Request To Increase Delegated Purchasing Authority forms has been updated.

Contracts and Clauses: Revision: October 2005

Section	Revision
Section 2	The Agency Contract – Service/Maintenance and the Agency Contract – Open have been revised to make these contracts agency specific.

Chapter 2: Revision: January 2006

Section Revision

Section 1 1. Changed: All state agencies, departments, and institutions... To: All state offices, agencies, departments, boards, bureaus, commissions, institutions, and other entities of the state...

Chapter 3: Revision: January 2006

Section Revision

Section 3.3 Changed: A Request for Information (RFI) is a quasi-formal method for soliciting information from selected vendors who have knowledge or information about the product or service for your project. To: A Request For Information (RFI) is a quasi-formal method for soliciting information from vendors who have knowledge or information about an industry, product, or service.

Section 5.4 Changed: After bids are evaluated a purchase order will be issued to the lowest responsible bidder meeting all specifications. To: After bids are evaluated, a Purchase Order will be issued to the lowest, responsive and responsible bidder meeting all specifications.

Section 5.5 Changed: After bids are evaluated, a Notice of Award and/or purchase order will be issued to the lowest responsible bidder meeting all specifications. To: After the bids are evaluated, a Notice of Award and/or a Purchase Order is issued to the lowest, responsive and responsible bidder meeting all specifications.

Section 5.6 3. c. Changed: ...Procurement Registry: To: ...Georgia Procurement Registry:

Section 5.6 6. a. Changed: Normally, split awards will not be made unless the savings to the State exceeds five (5) percent of the total contract price or \$500.00 whichever is greater. To: Ordinarily, split awards will not be made unless the savings to the State exceeds five percent (5%) of the total contract price or \$500.00, whichever is greater.

Section 5.6 6. i. Changed: ...within 30 days... To: ...within thirty (30) days...

Section 5.6 6. j. Changed: The law requires that bidders and offerors resident in the State of Georgia be granted... To: The law requires that bidders/offerors resident in the state of Georgia be granted...

Chapter 5: Revision: January 2006

Section Revision

- Section 2.2 1. Changed:...equal to 100% of the contract price. To: ...equal to one hundred percent (100%) of the contract price.
- Section 2.2 2. Changed:...equal to 100% of the contract price. To: ...equal to one hundred percent (100%) of the contract price.

Chapter 9: Revision: January 2006

Section Revision

- Section 2.3 1. a. Changed:...of a debarment decision but not for a period in excess of 120 days. To: ...of a debarment decision but not for a period in excess of one hundred-twenty (120) days.
- Section 2.4 1. Changed:...in effect for 120 days or a debarment decision has taken effect. To: ...in effect for one hundred-twenty (120) days or a debarment decision has taken effect.
- Section 2.5 Changed: If no request is received within the 10-day period, a final determination may be made as set forth hereinafter. To: If no request is received within the ten (10) day period, a final determination may be made as set forth hereinafter.
- Section 2.7 Determination of Hearing Officer – Final
- In this section, changed “DOAS” to Department of Administrative Services.
- Section 5.3 Changed: Gasoline (including LUST tax) To: Gasoline (including Leaking Underground Storage Tanks [LUST] tax)

Appendix: Revision: January 2006

Section Revision

- Section 3: Request For Quote Instructions and Additional Terms and Conditions #6.
- Changed: If you are quoting on more than one bid, a separate envelope must be used for each bid. To: Each solicitation document should be returned in a separate envelope or package, completed in ink or typewritten, signed in ink, sealed (optional for informal bids), and identified as directed in the Request For Quote.

Manual: Revision: January 2006

Revisions made throughout the Manual:

“State Purchasing Division Director” to “State Purchasing Division Assistant Commissioner”

“SPDD” to “SPDAC”

“Lead Purchasing Agent” to “Purchasing Acquisition Manager”

“LPA” to “PAM”

Editorial changes and changes to grammar have also been made throughout the Manual.

Chapter 2: Revision: March 2006

Section	Revision
Section 3	3.a. Professional Services has been re-stated and includes actuarial services to the list of professions.

Chapter 3: Revision: March 2006

Section	Revision
Section 5.7:	Item 4 – Outlines how the Department of Administrative Services may, in the state’s sole discretion, initiate discussions and negotiations with offerors.
Section 5.11	The Georgia Procurement Manual is updated to include a new section on electronic solicitations, which include competitive sealed bids and proposals. Electronic solicitations will be administered pursuant to the “Georgia Electronic Records and Signature Act”.

Chapter 9: Revision: March 2006

Section	Revision
Sections 1.1, 1.3, 1.4 and 1.6	Changed “Director of State Purchasing” to “State Purchasing Division Assistant Commissioner”
Section 1.4	Item 2 - Clarified the process if a Protest is sustained after an award is made.

Chapter 3: Revision: June 2006

Section	Revision
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Section 5.11	A new paragraph explaining how cost proposals will be analyzed by the Issuing Officer is added to this section.
Section 6.8	New item 3. c. Definition of House Bill 312 and the O.C.G.A. Section 50-5-51 (10) giving the Department of Administrative Services the authority to collect moneys, rebates, or commissions payable to the State that are generated by supply contracts is included in this section.

Chapter 6: Revision: June 2006

Section	Revision
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Section 3.6	Added - a. Administrative Fee Report
	The Georgia Procurement Manual includes a new item outlining instructions and requirements for contractors when completing the Administrative Fee Report.

Notice: June 2006 (Notice of Intent to Award Effective July 1, 2006) See the following chapters, sections and items for inclusion of Notice of Intent to Award.

Chapter	Section	Item
Chapter 2	4.1 Delegated Purchasing Authority	4
Chapter 2	4.1 Delegated Purchasing Authority	5
Chapter 3	5.5 Informal Written Bids	Title Change
Chapter 3	5.5 Informal Written Bids	Re-write
Chapter 3	5.6 Formal Sealed Bids	1 Conditions for use
Chapter 3	5.6 Formal Sealed Bids	6 (b) Bid Evaluation and Award
Chapter 3	5.7	2 (Adding 2 bullets)

Notice: June 2006 (Protest Procedure Effective July 1, 2006) See the following chapters, sections and items for upcoming changes to Protest Procedures.

Chapter	Section	Item
Chapter 9	1 Protests	Section Title Change
Chapter 9	1 Protests	1.1 Title Change

Chapter 9	1 Protests	1.1 #1 and #4
Chapter 9	1 Protests	1.3 Title Change
Chapter 9	1 Protests	1.3 Stay of Procurement during Protest #2
Chapter 9	1 Protests	1.4 Decision by State Purchasing Division Assistant Commissioner #1
Chapter 9	1 Protests	1.4 Decision by State Purchasing Division Assistant Commissioner #2
Chapter 9	New (1.8)	Exempt Entities/Categories Protest Process
Chapter 9	New (1.9)	Informal Complaint Process for Solicitations over \$5,000.00 and less than \$100,000.00)

Notice: June 2006 (Public Inspection Effective July 1, 2006) See the following chapters, sections and items for upcoming changes to Public Inspection.

Chapter	Section	Item
Chapter 1	3.2 Public Inspection	1 and 2
Chapter 3	5.7 Competitive Sealed Proposals	2 (Last Bullet)

Standard Forms: Revision: June 2006

Appendix, Section 1 notes instructions for new State Purchasing Division forms.

Chapter 2: Revision: August 2006

Section	Revision
Section 3	3.a. "Licensed or accredited appraisers or licensed or accredited financial analysts providing opinions of value" were added as another item to the list of Professional Services.

Chapter 3: Revision: August 2006

Section	Revision
Section 6.1	The revision adds an expanded definition of agency contracts and reorganizes the information with additional, descriptive paragraph headings. The reference to five distinct contract types has been omitted.
Section 6.2	The revision replaces the description of five distinct contract types with a summary of general contract types. The revised section includes a link to the State Purchasing website to obtain the latest versions of SPD approved contract terms and conditions.

Appendix: Revision: August 2006

Section	Revision
Section 2	The sample contracts have been removed from the Appendix. However, these resources are available on the State Purchasing website.
Section 3	The Georgia Standard Terms and Conditions have been removed from the Appendix. However, this resource is available on the State Purchasing website.

Chapter 1: General Provisions

Section 1: Purpose and Application

1.1 Purpose

The underlying purposes and policies of the Georgia Procurement Manual (hereinafter “GPM” or the “Manual”) are to:

1. Simplify and clarify the law governing procurement by the State of Georgia.
2. Permit the continued development of centralized procurement policies and practices.
3. Make as consistent as possible the procurement regulations among the various state agencies.
4. Provide for increased public confidence in the procedures followed in public procurement.
5. Ensure the fair and equitable treatment of all persons who deal with the procurement system of Georgia.
6. Provide increased economy in state procurement activities, maximize to the fullest extent possible the purchasing value of public funds; obtain in a cost-effective and responsive manner the materials, services, and construction required by state agencies in order for those agencies to better serve Georgia's businesses and residents.
7. Foster effective broad-based competition within the free enterprise system.
8. Provide safeguards for the maintenance of a procurement system of quality and integrity.

1.2 Applicability and Use of the GPM

This GPM applies only to procurements initiated after February 1, 2003. The Manual will supersede the Agency Procurement Manual (APM) and any revisions to the APM issued prior to the effective date of the GPM. Solicitations publicly issued prior to the effective date of the GPM will be governed by the APM.

The GPM is the primary source of reference for the Agency Procurement Officer (hereinafter “APO”). The APO should use the GPM when encountering any purchasing questions or problems concerning the procurement process.

1.3 Requirement of Good Faith

This GPM requires all parties involved in the negotiation, performance, or administration of Georgia contracts to act in good faith.

Section 2: Purchasing Laws and Regulations

2.1 Official Code of Georgia (O.C.G.A.) Governing Legal Authority

The purpose of this section is to provide reference to the legal authority for purchasing in the State of Georgia.

1. Laws concerning the Department of Administrative Services (hereinafter “DOAS”) procurement process in general may be found in the *Official Code of Georgia Annotated* (hereinafter “O.C.G.A.”) Title 50, Chapter 5, Article 3. The regulations set forth in this Manual are established pursuant to the DOAS authority under O.C.G.A. 50-5-54.
2. The APO should be familiar with all current laws governing purchases in order to assure that the legal requirements with respect to agency procurement activities are met. The pertinent laws that govern State purchases are generally set forth in O.C.G.A., Section 50-5-50 through Section 50-5-81. In addition, the published opinions of the Attorney General contain legal interpretations of the purchasing laws, which have the weight of the law in guiding State purchases. The State Purchasing Division (hereinafter “State Purchasing” or “SPD”) bases its operating policies and procedures upon the law and the opinions of the Attorney General.
3. State Purchasing does not attempt to render legal opinions for agencies. However the SPD will assist the APO in obtaining legal advice with regard to State purchases from the Attorney General where needed. Any such request should be addressed in writing to the State Purchasing Division Assistant Commissioner (hereinafter “SPDAC”).

2.2 Official Code of Georgia (O.C.G.A.) Governing Administrative Authority

The purpose of this section is to provide reference to the governing administrative authority for purchasing in the State of Georgia. Although every effort has been taken to assure the accuracy of the material presented, it is not intended or represented to be the official record of the laws and regulations of the State of Georgia. True and correct copies of the statutes of this State are found in the Official Code of Georgia. If any information in this manual is inconsistent with the O.C.G.A., the Code controls.

1. The APO should be familiar with the rules and regulations governing purchases as issued by the SPDAC.
2. The operating policies and procedures contained in this Manual are intended to comprise the body of rules and regulations pertinent to State purchases.
3. The SPDAC will issue procedural and informational guidelines and instructions in the form of Official Memorandums. These guidelines and instructions may result in revisions to the GPM.
4. Questions and clarifications concerning the GPM should be submitted to the SPD, Compliance and Standards Manager.

2.3 Deviations

A deviation may be deemed necessary for circumstances in which the prescribed policies, procedures and provisions are not totally appropriate for the development of a new technique or approach, or for specific contractual situations. The term “deviation” includes:

1. The issuance and/or use of any policy, procedure, provision, or instruction of any kind at any stage of the procurement process, which is inconsistent with a policy, procedure, or provision, set forth in the GPM or provision directive governed by state agencies and others subject to the Purchasing Act.
2. The use of a clause or provision covering the same subject matter as a prescribed clause or provision, or the modification or omission of a prescribed clause or provision.

To maintain uniformity to the maximum extent possible, deviations should be kept to a minimum. It is the responsibility of the APO or designee to request a deviation. A request for approval of any deviation shall be in writing to the SPDAC. The request shall explain the nature of the deviation, provide reasons why a deviation is necessary, and explain why it is in the best interest of the State of Georgia to grant the deviation. The SPDAC will review the deviation and determine whether the request can be approved. The deviation request and the action taken shall be documented in the contract file.

2.4 Duties and Powers of the State Auditor

It is among the duties and powers of the State Auditor to call special attention to any illegal, improper or unnecessary expenditures, and all inaccuracies, irregularities and shortages, and make specific recommendations for future avoidance. It is the responsibility of the APO to determine that the Agency's purchase requests abide by the rulings of the State Auditor.

2.5 Purchases Contrary to Purchasing Rules

A purchase that is contrary to the rules and regulations established by State Purchasing shall be void and of no effect.

Section 3: Public Access to Procurement Information

3.1 Open Records Act

1. All public records of an agency are subject to inspection under the provisions of the Open Records Act. If the Agency receives a request for a record or a procurement file, the Agency must allow inspection unless the records are excluded from the Act. Public records must be made available for inspection or copying within three (3) business days of the receipt of an open records request. Where responsive records exist but are not available within three (3) business days of the receipt of an open records request, the Agency must provide a written

description of such records, together with a timetable for their inspection and copying, within three (3) business days of the request.

2. The agency may designate a person to respond to the request; however, the time frame for responding to the open records request begins at the time that the Agency receives the request. A state employee must be present during the time of onsite inspection of records.
3. Agencies may charge the requestor a reasonable amount for copying, administrative and research costs.
4. The Agency will be responsible for handling open record requests where the solicitation was developed by the Agency. Therefore, the record request should not be forwarded to the SPD unless the SPD processed the solicitation.

3.2 Public Inspection

For every solicitation, the name of the successful offeror shall be made public upon issuance of the Notice of Intent to Award and upon contract award for all solicitations \$100,000.00 or more. For every solicitation, the name of the successful offeror shall be made public upon contract award for all solicitations \$5,000.00 or more, but less than \$100,000.00. The names of all offerors whose bids/proposals were rejected and a statement giving reasons for the rejection shall also be published. Within one day after the Notice of Intent to Award is issued and within one day after contract award, this information should be on public display in the department's office or on GPR so it can be easily seen by the public for solicitations \$100,000.00 or more.

Section 4: Web Site Information

This section lists the information that is available on the State Purchasing web site, which is located at statepurchasing.doas.georgia.gov.

4.1 Georgia Procurement Registry

Government buyers who are registered in the system can post bids and other procurement opportunities. Vendors can review a list of current solicitation opportunities. In addition to solicitation opportunities, vendors can also review all awards issued for the current and previous fiscal year.

4.2 Vendor Registration

Vendors can obtain information about the vendor registration process and register to do business with the State of Georgia online.

4.3 NIGP Codes – Lists and Searches

State Purchasing began using the National Institute of Government Purchasing (NIGP) commodity codes in 1999 to bring purchasing procedures into greater

conformity with national standards. The DOAS web site includes information on how to search by keyword and by vendors registered by NIGP code.

4.4 Purchasing Contracts

An index listing of current statewide contracts including links to contract information.

4.5 State Purchasing Staff Directory

A list of State Purchasing Division contacts with e-mail addresses.

4.6 State Agency Procurement Contacts

A list of Agency Purchasing Officers (APOs) and their contact information.

4.7 Vendor Tools

Includes detailed information about the state's procurement process and requirements for vendors.

4.8 Agency Tools

Manuals, guides, forms, and templates that govern the State's Procurement Process.

4.9 Mandatory Source

A list of the procurement sources regulated by the Georgia Code and a link to the web site for each source.

4.10 Related Web Sites

The following web sites provide additional information:

- DOAS: doas.georgia.gov
- Governor's Small Business Center: <http://www.georgia.org/gsbcc/index.html>
- State or Federal Surplus: <http://gasurplus.doas.state.ga.us/apps/gss/surplus.nsf>
- Georgia Correctional Industries: www.gci-ga.com
- Georgia Enterprises: www.georgiaenterprises.com
- NIGP: www.nigp.org
- Official Code of Georgia (This is the Georgia web page for laws and regulations where you can search by code number.):
http://www.georgia.gov/00/channel/0,2141,4802_5031,00.html
- National Contract Management Association: <http://www.ncmahq.org/>

Chapter 2: Procurement Organization

Section 1: Authority of DOAS, State Purchasing Division

1.1 Purchases by State Governmental Entities

Through the State Purchasing Division, DOAS has the authority and is the unit of state government charged with the responsibility for the establishment of contracts, leases, purchase orders or other agreements for the procurement of supplies, materials, equipment, services, and construction, and for overseeing statewide and multi-agency contracts. All state offices, agencies, departments, boards, commissions, institutions, and other entities of the state are required to purchase through DOAS unless specifically exempted by statute or regulation.

1.2 Purchases by Local Political Subdivisions

Local political subdivisions, including counties, municipalities, and school boards are authorized by state law to purchase their supplies, materials, and equipment through DOAS if they so desire. Purchases pursuant to this authorization may take the form of one-time open market purchases or statewide contracts specifically open to use by local political subdivisions. All products offered by bidders/offerors pursuant to statewide contracts may be offered to local political subdivisions as well as state agencies at the option of the bidder/offeror.

Section 2: Authority and Duties of Procurement Officials

2.1 DOAS Commissioner

The Commissioner is the Chief Procurement Officer of the State and is authorized to adopt rules and regulations as may be required to carry out the procurement, management, control, and disposal of any and all supplies and services procured by the State of Georgia.

2.2 State Purchasing Division Assistant Commissioner

The SPDAC is the Commissioner's designee.

2.3 Agency Procurement Officer

1. The Commissioner may delegate authority to a designee or to any department, agency, or official. The APO has the authority to procure goods and services within their Delegated Purchasing Authority (DPA). The responsibilities of the APO include but are not limited to:
 - a. Maintain all necessary Agency procurement records.

- b. Provide information to State Purchasing regarding purchasing transactions as requested.
 - c. Provide methods to assure all purchasing laws, rules, regulations and procedures are observed within the Agency.
 - d. Ensure that the ethics of public procurement are being maintained.
2. The APO must prioritize purchases of commodities, goods and services in the order listed in Chapter 3, Section 1.1, Policy, of the GPM.
3. The APO has the responsibility to prepare and submit to the SPD, agency requirements for all materials and services, which exceed the Agency's DPA.

Section 3: Exemptions from State Purchasing Requirements

Listed below are the entities and specific categories of purchasing that are exempt from State Purchasing requirements:

1. Government Entities
 - a. All governmental authorities.
 - b. All legislative and judicial branches.
2. Government Entities with Partial Exemptions
 - a. Construction and/or Public Works Contracts for several public authorities, the Board of Regents and the Department of Transportation. This does not apply to purchasing construction or building materials.
 - b. Department of Education's purchase of school textbooks.
 - c. Space Management for real estate administration.
 - d. Department of Defense for purchase and issuance of military property.
 - e. Technical instruments and supplies and technical books and other printed matter on technical subjects; also, manuscripts, maps, books, pamphlets, and periodicals for the use of the State Library or any other library in the state supported by state funds; also services.
 - f. Livestock for slaughter and perishable articles, such as fresh vegetables, fresh meat, fish and oysters, butter, eggs, poultry and milk.
 - g. Emergency supplies of drugs, chemicals and sundries, dental supplies and equipment.
3. Services and Other Exemptions
 - a. Services, which are limited to those services which are defined by a statute as a "profession" or "professional service". For example, the following services are statutorily defined as "professions" or "professional services": certified public accountancy, actuarial services, architecture, landscape architecture, interior design, licensed or accredited appraisers or licensed or accredited financial analysts providing opinions of value, chiropractic, dentistry,

professional engineering, podiatry, pharmacy, veterinary medicine, registered professional nursing, harbor piloting, land surveying, law, psychology, medicine and surgery, optometry, and osteopathy.

- b. Personal Employment Services: Only those services rendered by a person who works full-time or part-time for and under the control of the state and receives compensation as a salary in direct payment from a department, agency or institution of state government.
- c. Department of Community Health for the purchase of health insurance for state employees and public school teachers under the State Health Benefit Plan.
- d. Georgia Merit System for the purchase of flexible benefits for State of Georgia Employees.
- e. Office of Treasury with respect to investments and investment related services.
- f. Hatch and Smith Lever Act purchases - Agricultural purchases from land grant universities.

Section 4: Delegation of Authority to State Agencies

4.1 Delegated Purchasing Authority

State Purchasing may authorize the various state departments, agencies, and institutions to make purchases which do not exceed \$100,000.00. This delegated dollar amount is referred to as the Agency's Delegated Purchasing Authority (hereinafter "DPA") and may vary from agency to agency, but in no event shall the DPA exceed \$100,000.00.

The SPD has developed the following procedure to address special circumstances, such as unanticipated needs that will enable state agencies to assist the SPD in facilitating procurements in excess of \$100,000.00:

1. The APO must e-mail the SPD Acquisition Manager with details concerning:
 - a. Justification for request
 - b. Purpose of the procurement
 - c. Estimated dollar value
 - d. Method of procurement
 - e. Requisition number
 - f. Name of state agency buyer
2. The SPD Acquisition Manager will respond to the APO with a decision on the Agency request. If the Acquisition Manager concurs with the request, the APO will be authorized to process the solicitation in accordance with the GPM.

3. Upon receipt of bids, the agency buyer will prepare and submit the following documentation to the SPD Acquisition Manager:
 - a. Bid tabulation in Excel spread sheet format
 - b. Recommendation for award
 - c. Solicitation response copies
 - d. Requisition
 - e. All additional solicitation documents
4. For solicitations exceeding \$100,000.00, a SPD Acquisition Manager will assign the solicitation file to a buyer to review, evaluate and issue the award. The SPD buyer will issue the Notice of Intent to Award based on the award recommendation and the Notice of Award after the protest period has ended and email the two documents to the vendor and Agency.
5. The SPD buyer will post to the Georgia Procurement Registry the Notice of Intent to Award once the award recommendation is approved and the Notice of Award after the protest period has ended or if there is a protest, once the protest has been resolved.

4.2 Initial Request of Delegated Purchasing Authority

There are instances where an agency may request an initial grant of Delegated Purchasing Authority using the Request To Increase Delegated Purchasing Authority (DPA) form along with the Agency Planning Document (ADP) form. The ADP includes information concerning distribution of authority within the agency, reporting requirements, training of purchasing staff, bid procedures, and other documentation relating to the agency's purchasing process.

Examples for an initial request for delegated purchasing authority would be the establishment of a new agency, or where an entity is administratively attached to an agency and has not received a delegation of authority in the past. The agency should attach any pertinent supporting documentation to its request. The SPD will review the Agency's request and will consider the following factors:

- Experience and training of the APO and procurement staff
 - Results of previous Purchasing Processing Reviews
 - History of purchase transactions
 - Agency internal purchasing procedures
 - Minority participation and reporting
1. The SPD will review the Agency Planning Document to determine the depth of the Agency's internal purchasing policies, procedures, and reporting systems to accurately track, monitor, and report use of state allocated funds. The State Purchasing Division Assistant Commissioner or designee may grant the Agency a

trial delegated authority for a 3 to 6 month or longer period until such time as the SPD conducts a Purchasing Process Review to determine whether the agency has instituted sound internal purchasing policies and procedures.

2. The SPDAC or designee will notify the Agency in writing of the final action taken on the request for an increase in DPA after the Purchase Processing Review. Any abuse of the DPA by the Agency could result in the DPA being removed.

4.3 Exceeding Delegated Purchasing Authority

In certain cases, the SPDAC may allow the Agency to exceed its Delegated Purchasing Authority, for example:

1. Where the lowest responsive bid received is in excess of the Agency's Delegated Purchasing Authority and the Agency did not issue the solicitation with the intent that the bid would exceed its Delegated Purchasing Authority,
2. Where the circumstances demonstrate that it is in the best interest of the state to expedite the purchase of the product or service and the Agency expects the bid(s) to be in excess of the Agency's Delegated Purchasing Authority.

The Agency must submit justification to the SPDAC or Designee for its request to exceed the Delegated Purchasing Authority. The SPDAC will review the Agency's request and justification, consider if the request is in the best interest of the state and may authorize the Agency to make an award exceeding the DPA by an amount not exceeding 10% of the Agency's DPA. If the review to exceed the DPA is granted, the SPDAC will give written approval to the APO. This procedure is not valid for agencies with a DPA of \$100,000.00. Those agencies with a DPA of \$100,000.00 must send all documents to the SPD for processing if the contract award will exceed \$100,000.00.

4.4 Increasing Delegated Purchasing Authority

An Agency Planning Document must be submitted to the State Purchasing Division whenever an agency requests an increase in its delegated purchasing authority. The Agency Planning Document includes information concerning distribution of authority within the Agency, reporting requirements, training of purchasing staff, bid procedures, and other documentation relating to the Agency's purchasing process.

1. The agency should submit a signed Request for Increasing Delegated Purchasing Authority form to the SPD, which includes an Agency Planning Document. The agency should attach any pertinent supporting documentation to its request. The SPD will review the Agency's request and will consider the following factors:
 - Experience and training of the APO and procurement staff
 - Results of previous Purchasing Process Reviews
 - History of purchase transactions
 - Agency internal purchasing procedures
 - Minority participation and reporting

2. The SPD will notify the Agency in writing of the action taken on the request for an increase in DPA. Any abuse of the DPA by the Agency could result in the DPA being removed.

Section 5: Mandatory Purchases

5.1 Statewide and Agency Contracts

Agencies must purchase goods, commodities and services from statewide contracts where the items needed are available on those contracts. Agencies must also purchase items that are available on Agency Contracts for their particular agency. These contracts have met competitive solicitation requirements.

5.2 Statewide Purchases or Agency Contracts

1. When an agency needs to acquire supplies, materials, equipment, or services covered by either a Statewide or Agency contract, the Agency should issue a purchase order to the successful bidder/offeror referencing the contract and using contract price information provided by the SPD. Receipt of the purchase order authorizes the successful bidder/offeror to ship the items requested subject to the terms and conditions of the contract.
2. If a new Statewide contract is created and the Agency has an existing Agency contract containing the same product or service, the APO must notify the Statewide Contract Buyer and provide the following information:
 - a. Contract Number
 - b. Terms of the Contract
 - c. Contract Cost

5.3 Statutory Mandatory Sources

State agencies are required by statute to purchase certain products and services from Georgia Correctional Industries (GCI) and Georgia Enterprises where the products being purchased have been certified in writing. In the case of GCI, the Commissioner of Corrections must certify the products. The State Use Council must certify products for Georgia Enterprises. Products and Services not certified are not mandatory purchases under the Official Code of Georgia.

Section 6: Emergency Purchases

State Purchasing has granted the authority to state agencies, departments and institutions to purchase urgently needed items arising from unforeseen causes. An emergency procurement is handled outside of the normal competitive process because of the urgency of the circumstances. Therefore, SPD approval is not required in advance of the emergency purchase. It is always good business practice and considered to be in the best interest of the state to make any procurement as

competitive as time permits. The APO must provide the SPD with written justification and a copy of the PO and all pertinent documentation relating to the purchase transaction.

Section 7: Procurement Training and Education

7.1 Assessment of Agency Training Needs

Training in procurement is important for procurement personnel and vital for new employees without prior experience in procurement. The SPD will coordinate with the APO to assess the training needs of agency procurement personnel, and will make procurement training available to assist in the development of highly skilled agency procurement staff. The APO should submit recommendations to the SPD on procurement topics.

7.2 Training Topics

The SPD will provide procurement training to APOs and other procurement staff. The training includes an overview of the procurement process for state agencies and includes topics such as the fundamentals of public purchasing, role and responsibilities of the APO, delegated purchasing authority, competition, specifications, procurement types, bid procedures, evaluation and award, the Open Records Act, the Georgia Procurement Registry and how to use the Georgia Procurement Manual.

7.3 Professional Associations

The SPD encourages APOs to join and participate in professional organizations. Periodically, State Purchasing will coordinate with professional purchasing organizations such as the National Institute of Governmental Purchasing (NIGP), and the National Contract Management Association (NCMA) to sponsor specialized classes.

Chapter 3: Source Selection and Contract Formation

Section 1: Procurement Process

1.1 Policy

All purchases made by a state agency should be based on competitive bidding whenever possible. Purchases less than \$5,000.00 may be made without competitive bidding. Small and minority businesses should be given a fair and equal opportunity to participate in the state's purchasing process. Agencies should establish their own internal procedures in accordance with the GPM. Agencies must follow the Order of Precedence that has been set by the SPD when purchasing commodities or services. The agency may purchase commodities and services within the agency's Delegated Purchase Authority; however certain procurements, such as Requests for Proposal discussed below, must be coordinated with the SPD.

1.2 Procedure

1. Whenever an agency identifies the need for a good, commodity or service, the process should begin with the development of specifications by the user, for example an engineer or other procurement official. The end user submits a written request for the commodity or service to the APO along with specifications. The APO should determine whether the commodity or service can be procured from a statewide or agency contract, or other mandatory sources. The APO must follow the Order of Precedence discussed below in making this determination.
2. If the dollar amount of the purchase is less than \$5,000.00 the APO will be able to purchase the item or service without competition. If the dollar amount is more than \$5,000.00, the APO must use competitive bidding procedures. The APO must next determine whether the item or service to be purchased is within the agency's Delegated Purchasing Authority. If the dollar amount of the purchase is within the agency's DPA, the APO can process the solicitation. The APO must post the solicitation on the Georgia Procurement Registry where the solicitation is \$10,000.00 or higher. An exception to this rule pertains to Sole Source procurements, which must be posted for procurements over \$5,000.00. If the dollar amount of the purchase exceeds the agency's DPA the solicitation must be processed by the SPD. In this case the agency must submit a requisition along with other pertinent documentation, including specifications to the SPD.
3. The SPD will review the requisition and other documentation submitted by the agency for completeness. The SPD will review specifications to ensure that they are not too restrictive so as to preclude competition. The SPD Buyer will coordinate with the agency throughout the solicitation process until a contract has been awarded.

4. The Agency must determine responsiveness and responsibility of Bidders and Offerors before a contract can be awarded to a vendor. The unreasonable failure of a bidder or offeror to promptly supply information in connection with an inquiry with respect to responsibility may be grounds for a determination of non-responsibility.
5. Examples of non-responsible bidders/offerors include but are not limited to a bidder's/offeror's history of nonperformance or performance problems on other contracts (public or private), a record of financial difficulty, business instability, criminal sanctions, civil sanctions, and/or tax delinquency. Non-responsibility will be determined by the SPD or APO on a case-by-case basis taking into consideration the unique circumstances of the individual procurement. A non-responsibility determination of a vendor must be put in writing.
6. Before contract award, the APO shall review the SPD Suspension and Debarment listing. The list provides an up-to-date source of information on those firms and individuals that have been suspended or debarred from doing business with the State of Georgia. A contract cannot be awarded to a vendor/contractor who has been suspended or debarred from doing business with the government.
7. The SPD issues Notices of Award. The agency issues purchase orders to vendors. A purchase order is a contract between the agency and the vendor. The SPD requires that all purchase orders contain an authorized signature, correct payment and delivery terms and the appropriate "purchase type" codes and commodity codes.

Section 2: Order of Precedence

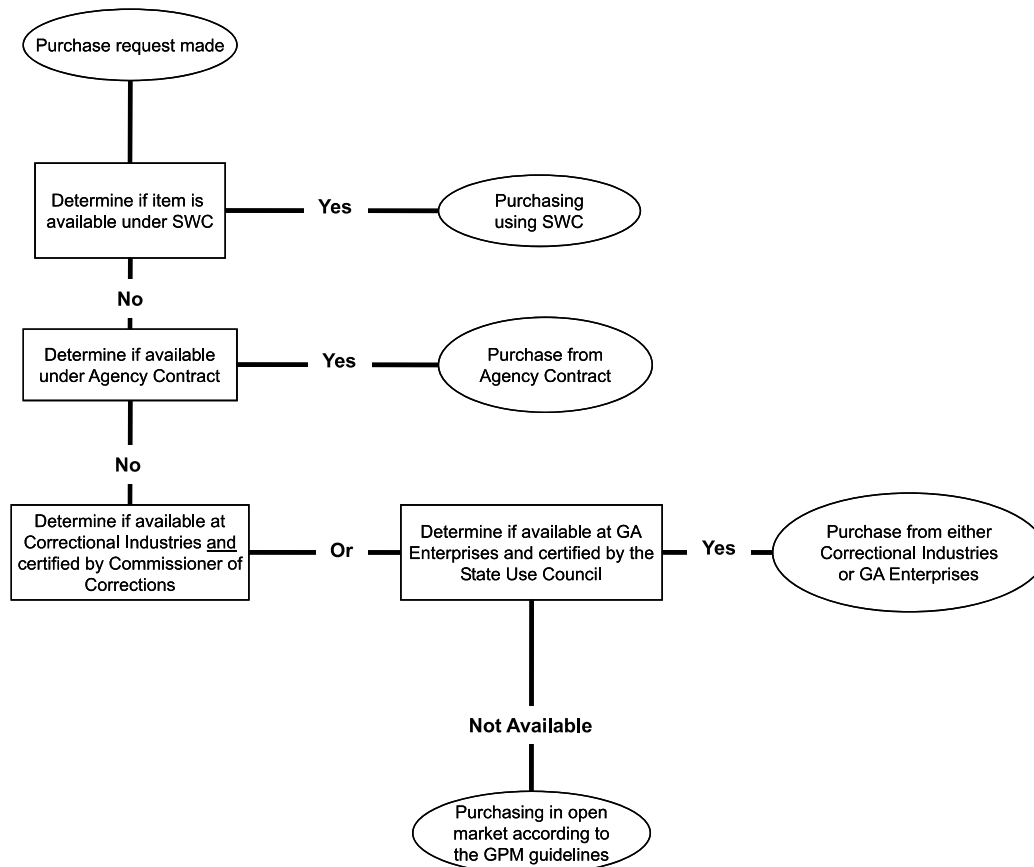
2.1 Policy

When purchasing a product or service the APO should adhere to the following order of precedence:

1. Statewide Contracts
2. Agency Contracts (for that agency)
3. Georgia Correctional Industries (GCI), Georgia Enterprises (GEPS) or Georgia Industries for the Blind (GIB)
4. Open Market Purchases

2.2 Procedure

The following flowchart shows the process for making mandatory source purchasing decisions.



Section 3: Methods of Procurement

3.1 Request for Quotation (RFQ)

A Request for Quotation (RFQ) is a formal solicitation method that includes a well-defined specification or scope of work and contains all contractual terms and conditions. The RFQ solicits sealed price quotations or bids from prospective vendors and seeks to obtain price quotes from qualified vendors using the lowest quote as the determining factor for awarding the contract.

The agency should use an RFQ if the project lends itself to the creation of a clear and accurate Statement of Work and the objective of the solicitation is to identify a vendor who can provide the required specifications at the lowest possible cost.

3.2 Request for Proposal (RFP)

A Request for Proposal (RFP) is a formal solicitation method that seeks to leverage the creativity and knowledge of business organizations to solve a unique problem. The RFP solicits sealed price proposals from prospective vendors and seeks to obtain the “best value” for the state. The RFP method does not use the cost of the project as the single determining factor, but, rather, uses a combination of lowest cost plus best proposed solution to determine the award.

The agency should use an RFP if the project does not lend itself to the creation of a clear and accurate Statement of Work and the objective of the solicitation is to identify a vendor who can offer the best possible solution to your problem at the most reasonable cost.

3.3 Request for Information (RFI)

A Request For Information (RFI) is a quasi-formal method for soliciting information from vendors who have knowledge or information about an industry, product, or service. The RFI method is not intended to result in a contract award but is designed to allow for the collection of industry information that will then be used to determine if an RFQ or RFP solicitation method is appropriate.

The agency should use an RFI if there is not enough information or knowledge about the product or service needed to develop a Statement of Work for an RFQ or RFP.

3.4 Request for Qualified Contractor (RFQC)

A RFQC is used in cases where the state is attempting to find vendors with the qualifications to produce the product or service desired. The required qualifications are known and each vendor is judged on its ability to meet or surpass the required qualifications. This form of solicitation may, but does not always, culminate in a contract award.

Section 4: Noncompetitive Procurement

4.1 Policy

If the APO determines that the needed items can reasonably be purchased for less than \$5,000.00, the purchase may be made without competitive bidding.

4.2 Procedure

The following procurement procedure shall be used for orders which are for less than \$5,000.00.

The user determines and transmits to the APO the requirements including specifications, delivery, and quantity.

The APO should first determine that the items are not available from a mandatory source.

Although competition is not required for purchases under \$5,000.00, State Purchasing recommends the comparison of products and prices from at least three (3) vendors prior to ordering.

The agency can purchase the item from the selected vendor through the State Purchasing Card (P-card) or a purchase order.

Section 5: Competitive Procurement

5.1 Policy

If the APO determines that the needed items are not available through a mandatory source, such as a statewide or agency contract, and the items are not available through a statutory mandatory source, such as Georgia Correctional Industries or Georgia Enterprises, the APO must purchase the item through the use of competitive bidding procedures unless the items can be purchased for less than \$5000.00. The agency has the discretion to enter into an inter-governmental agreement if the items to be acquired are available from that source; in this case, competitive bidding procedures do not apply.

5.2 Procedure

1. In every case where the agency identifies a need for a good, commodity or service and the solicitation is handled by the SPD, the agency must begin the process by the issuance of a requisition. This includes those cases where the validated amount of the procurement is expected to exceed the agency's Delegated Purchasing Authority as well as cases where the solicitation is valued at an amount in excess of \$100,000.
2. Requisitions submitted to the SPD must contain adequate specifications, validated budget, approval, and all other information pertinent to the procurement. If the solicitation is for a Request for Proposal, the agency may submit the requisition along with a brief description of the item or service to be purchased. The agency may submit other documentation to the SPD at a later time in accordance with the SPD RFP process discussed in the GPM.

5.3 Minimum Bid Policy

1. In those cases where the item or service to be purchased is within the agency's DPA and will be acquired using the competitive bid process, the agency must follow the minimum bid procedure.

2. Required Number of Minority Firm Solicitations

The following number of solicitations must be issued based on the estimated total purchase value. For example, as shown in the chart below: if the purchase value is expected to be between \$5,000.00 and \$9,999.99, six (6) solicitations must be issued three (3) of which must be issued to minority firms. However, any number of additional solicitations may be issued at the discretion of the APO.

Minimum Bid Policy Chart	
under \$5,000.00	No Bidding Required
\$5,000.00 - \$9,999.99	6 (3 minority firms)
\$10,000.00 - \$49,999.99	10 (5 minority firms)
\$50,000.00 - \$99,999.99	15 (7 minority firms)
\$100,000.00-\$249,999.99	20 (10 minority firms)

Posting to the Georgia Procurement Registry does not automatically fulfill an agency's bidding requirements. If the number of vendors who receive the automatic e-mail notification falls below the minimum requirement, then it is the responsibility of the APO to seek out the remaining vendors. It is recommended that the APO maintain a copy of the e-mail list in the appropriate agency file.

5.4 E-Quote Bids

Purchases involving expenditures under \$10,000.00 may be made by solicitation of E-Quote bids. If using E-Quote and creating a purchase order through the PeopleSoft system, it is mandatory that the purchase order reflect the E-Quote Reference Number in the PO Reference field. Also, fax bids may not be used in conjunction with using the E-Quote system. There is no formal public opening and reading of bids required. After bids are evaluated, a Purchase Order will be issued to the lowest, responsive and responsible bidder meeting all specifications.

5.5 Informal Written Solicitations

Purchases involving expenditures of \$5,000.00 or more, but less than \$100,000.00 may be made by informal written solicitation whenever practicable, or by faxed solicitations. There is no formal public opening, reading of the bids/proposals or issuance of a Notice of Intent to Award required. After bids/proposals are evaluated a contract will be issued to the lowest responsive and responsible offeror meeting all required specifications or to the number one ranked responsive and responsible offeror meeting all required specifications.

5.6 Formal Sealed Bids

1. Conditions for use

Purchases involving expenditures of \$100,000.00 or more will be made by solicitation of sealed competitive bids/ proposals. Sealed bids designate a specific due date and time, are publicly opened, and prices read at the time and place designated in the RFQ. After the bids are evaluated, a Notice of Intent to Award will be posted for public display or on the GPR which will include the name of the successful offeror. After the protest period has ended or if there is a protest, once the protest has been resolved, a contract will be issued to the lowest responsible bidder meeting all specifications and with whom the State has reached agreement on all contract terms and conditions. It should be noted that the contract award will not be to the bidder with the lowest cost if the State determines that the low cost bidder cannot clearly perform the contract requirements.

2. Request for Quotes

- a. Requisitions are used to initiate competitive sealed bid procurement. The RFQ shall include the following:
 - Instructions and information to bidders concerning the bid submission requirements
 - Time and date set for bid closing
 - Address of the office in which bids are to be received
 - Period that the bid shall remain open
 - Purchase description
 - NIGP commodity code
 - Specifications
 - Evaluation criteria
 - Delivery or performance schedule
 - Inspection and acceptance requirements
 - Contract terms and conditions, including warranty and bonding or other security requirements, as applicable.
- b. If the RFQ incorporates documents by reference, the RFQ shall specify where such documents may be obtained. The RFQ shall require the acknowledgment by the bidder of the receipt of any addenda issued.
- c. The RFQ may require the submission of bid samples, descriptive literature, and technical data and may require inspection or testing of a product before award.

- d. The RFQ shall contain a certificate of non-collusion, which must be signed by an authorized representative of the bidder. Such person shall include his or her title and, if requested, shall supply verification of authority to bind the company in contract. Georgia law requires this certificate and failure to sign and submit it with the bid may result in its rejection.

The certificate of non-collusion states:

“I certify that this bid (proposal) is made without prior understanding, agreement, or connection with any corporation, firm, or person submitting a bid (proposal) for the same materials, supplies, or equipment, and is in all respects fair and without collusion or fraud. I understand that collusive bidding is a violation of State and Federal law and can result in fines, prison sentences, and civil damage awards. I agree to abide by all conditions of this bid (proposal), and certify that I am authorized to sign this bid (proposal) for the bidder (offeror).” [O.C.G.A. 50-5-67]. “I further certify that the provisions of the O.C.G.A. 45-10-20 et seq. have not and will not be violated in any respect.”

3. Public Notice
- When sealed bidding is required, the APO shall post the solicitation to the Georgia Procurement Registry (hereinafter “Procurement Registry” or “GPR”) and in addition may advertise the solicitation in newspapers or other publications with statewide circulation.
 - DOAS requires all competitive procurements \$10,000.00 and above and Sole Source procurements over \$5,000.00 to be posted to the Georgia Procurement Registry. However, DOAS strongly urges agencies to post all competitive procurements to the GPR.
 - The following guidelines shall be followed by agencies when posting competitive solicitations to the Georgia Procurement Registry:

Competitive Solicitations Guidelines	
Sole Source solicitations valued \$5,000.00 and over	Minimum of three (3) business days
Solicitations valued from \$10,000.00 to \$49,999.99	Minimum of ten (10) calendar days
Solicitations valued from \$50,000.00 to \$99,999.99	Minimum of fifteen (15) calendar days
Solicitations from \$100,000.00 to \$249,999.99	Minimum of twenty (20) calendar days
Any solicitation valued at \$250,000.00 and above and all Construction Bids	Minimum of thirty (30) calendar days

4. Pre-Bid Conference

- a. A Pre-Bid Conference is a meeting held with perspective bidders prior to the “Bid Closing Date/Time” to clarify any ambiguities, answer questions and ensures that all bidders have a common understanding regarding the supplies or services required. The APO can conduct a pre-bid conference within a reasonable time, but not less than seven (7) business days before the “Bid Closing Date/Time” to explain the procurement requirements.
 - Transcripts of such conferences may be taken and can be provided to all vendors who request a copy. Statements made at the pre-bid conference shall not be considered addenda to the RFQ unless a written addendum is issued pursuant to the conference.

5. Bid Closing and Submittals

- a. Modifications or Withdrawal of Bids Prior to Bid Closing
 - 1) A bidder may modify or withdraw a bid at any time before bid closing. The modification or withdrawal must be in writing and must be received before the time and date set for the bid closing. The bidder or an authorized representative may modify or withdraw the bid in person before the time and date set for bid closing.
 - 2) All documents concerning a modification or withdrawal of a bid shall be retained in the appropriate procurement file.
- b. Late Bids, Late Withdrawals, and Late Modifications
 - 1) A bid, modification or withdrawal is late if it is received after the time and date set for bid closing. Any bids received after the bid closing time and date will be rejected and stamped as a “late bid” clearly marked on the face of the envelope.
 - 2) Documentation concerning a late bid, late modification, or late withdrawal shall be retained in the appropriate procurement file.
- c. Receipt, Closing and Recording of Bids
 - 1) Bids and modifications (if any) shall be time and date stamped upon receipt and stored unopened in a secure place until the time and date set for bid closing. No unauthorized person(s) shall have access to the bid file. In the instances of sealed bids, bids shall remain unopened until the time and date set for bid closing.
 - 2) An envelope that is not marked as a bid or does not identify the bidder or solicitation may be opened solely for the purpose of identification. In instances of sealed bids, a record shall be made on the envelope stating the reason for opening the bid. The record must also include the date and time the bid was opened, the solicitation to which the bid responded and the signature of the person who opened the envelope. The envelope shall be resealed and retained in the procurement file.

- 3) Bids and modifications that are sealed shall be opened publicly, in the presence of one or more witnesses who are state employees. The bids shall be opened at the time, date and location designated in the RFQ. The name of each bidder, the bid price, and other information deemed appropriate by the APO shall be read aloud and recorded. The bids shall not be discussed during this time. Nor shall there be any attempt to determine or announce which bidder is the apparent low bidder.
- 4) Bids shall be available for inspections for a reasonable time after the bid closing, without comments or discussions.

d. Mistakes in Bids and Awards

- 1) A bidder may correct mistakes discovered before the time and date set for bid closing by withdrawing and/or correcting the bid.
- 2) Generally, withdrawal will only be allowed in cases where there has been an honest mistake not resulting from negligence and the mistake is clearly ascertainable.
- 3) After bid closing, the SPD Buyer or the APO may either waive minor informalities in a bid or allow the bidder to correct them if correction is advantageous to the state.
- 4) No erasure may be made on bids or proposals. Prior to the “Bid Closing Date/Time”, errors may be stricken and corrections entered provided that any such strike-over or addition is initialed by the person signing the bid/proposal or their agent. Negligence on the part of the bidder or offeror confers no right to correct such bids/proposals after their opening or due date.
- 5) After bid closing the SPD may, in its sole discretion, permit withdrawal when the best interest of the State would be served. Generally, withdrawal will only be allowed in cases where there has been an honest mistake not resulting from negligence and the mistake is clearly ascertainable. All decisions to permit correction or withdrawal of bids or to cancel awards or contracts based on bid mistakes shall be supported by a written determination made by the SPDAC or APO.

6. Bid Evaluation and Award

a. Evaluation of Bids

The contract shall be awarded to the lowest, responsive and responsible bidder whose bid meets the requirements and specifications, and contract terms contained in the RFQ. Unless otherwise provided for in the RFQ, award may be made by individual line item, by groups of line items, or for the aggregate total of all line items. Ordinarily, split awards will not be made unless the savings to the State exceeds five percent (5%) of the total contract price or \$500.00, whichever is greater. However, the APO reserves the right to split awards if those thresholds are not met.

- b. If awarded by the SPD, a written Notice of Intent to Award and Notice of Award shall be sent to the successful bidder, followed by a purchase order from the APO.

- c. Acceptability Requirements

A product acceptability evaluation may be conducted to determine whether a bidder's product is acceptable as set forth in the RFQ. The evaluation shall not be used to determine whether one bidder's product is superior to another bidder's product. Any bidder's offering that does not meet the acceptability requirements shall be rejected as non-responsive.

- d. Rejected Bids

The State of Georgia reserves the right to reject any and all bids/proposals submitted in response to any solicitation document, to reject any portion thereof, or to waive any minor irregularity or administrative requirement.

- e. Evaluation and Clarification of Bids or Proposals

When evaluating any bid or proposal, the State may seek clarification from any bidder or offeror.

If after evaluation and obtaining clarification of a bid or proposal the State determines that a bid or proposal is unreasonable or unacceptable, or is noncompetitive, or the low bid or highest scoring proposal exceeds available funds, the SPD will determine in writing whether time or other circumstances will permit the delay required to re-solicit competitive bids or proposals. If the SPD determines that the circumstances are such that the procurement cannot be delayed, a contract may be negotiated provided that each responsible bidder or offeror who submitted a bid or proposal under the original solicitation is notified of the determination and is given a reasonable opportunity to negotiate.

In cases where the bid/proposals received are noncompetitive or the low bid or highest scoring proposal exceeds available funds, the negotiated prices shall be lower than the lowest rejected bid/proposal of any responsible bidder/offeror under the original solicitation.

- f. Integrity of the Process

If at any time it is found that the integrity of the process has been compromised or that errors have occurred, the solicitation may be canceled. The procurement may be re-solicited if the State so desires.

- g. Alternate Bids

Alternate bids will be considered for an award, if the product meets specifications and all of the requirements of the solicitation.

- h. Single Bid

If only one responsive and responsible bid is received in response to a request for quote, an award may be made to the single bidder if the SPD buyer or APO determines in writing that the price submitted is fair and reasonable.

i. Cash Discounts

The overall policy concerning any type of discount in bidding is one of preference and encouragement of a net bid price, FOB destination. All forms of deductions, discounting, or special pricing should be reduced to a simple net bid price for each item.

Cash discounts offered from one (1) percent up to five (5) percent, for payment made in thirty (30) days or more, will be considered for purpose of bid evaluation. Any other cash discount will not be considered in the evaluation.

All discounts offered will be taken if earned. In the event that the State is entitled to a cash discount, the period of computation will commence on the date of delivery, or receipt of a correctly completed invoice indicating the discount, whichever occurs later.

If the State is entitled to a discount under the contract, but the invoice does not reflect the existence of a cash discount, and the State pays the invoice, it shall be entitled, upon demand, to a credit in the amount of such discount.

Payment of invoices owed by the State shall be made whenever possible within thirty (30) days of the receipt of a correct invoice or goods, whichever is later, unless otherwise provided for in the solicitation document or resulting contract.

j. Reciprocal Preference Law

The law requires that bidders/offerors resident in the State of Georgia be granted the same preference over bidders and offerors resident in another State in the same manner, on the same basis, and to the same extent that preference is granted in awarding bids or proposals for the same goods and services by such other State to bidders and offerors resident therein over vendors resident in the State of Georgia. This reciprocal preference is used for evaluation purposes only.

k. Resolving Tie Bids

A tie bid exists when two (2) or more bidders offer, at identical prices, products that meet all specifications, terms, and conditions. In such a situation, State statutes provide three (3) preferences which shall be used to resolve tie bids whenever applicable: (1) preference for products manufactured or produced within the State of Georgia; (2) preference for products sold by local bidders/offerors within the State; and (3) preference for products manufactured or sold by small business. If these statutes are insufficient to resolve the tie, consider the following in the order listed:

- Past performance of the bidders
- Earliest delivery date
- Division of the order
- Closest proximity to delivery site
- Flip of a coin

l. Coding Requirements

- 1) Commodity Codes are used to identify the source of commodities and/or services being purchased. Every line item purchased will be coded. If the line item is \$500 or more the applicable NIGP commodity code must be used. Agencies may use the “99999” code for line items under \$500. If the agency is currently using the NIGP commodity code for purchases under \$500 they may continue to do so. Statewide, agency contracts must include the NIGP commodity code already assigned regardless of the dollar amount.

- 2) Purchase type codes must be identified on each purchase order issued by the Agency as follows:

Manual Codes	People Soft Codes
AC	Agency Contract and Releases
CSN	Construction; PW; A&E
EXM	Exemption per OCGA 50-5-58
IGA	Intergovernmental Agreement
MAN	Mandatory—GCI, GEPS, GIB
OMP	Open Market Purchase
SB	Sole Brand – per GPM
SS	Sole Source – per GPM
SWC	Statewide Contract and Releases

5.7 Competitive Sealed Proposals

1. Conditions for use

A Competitive sealed proposal shall only be used as a method of solicitation after a written determination has been made by the Department of Administrative Services that the use of a competitive sealed bid is either not practicable or not advantageous to the State.

2. Requests for Proposal

Competitive sealed proposals shall be solicited through a Request for Proposal (RFP). This form of procurement is a formal invitation from the SPD on behalf of the Agency to vendors requesting a competitive and creative solution to a problem or a need that has been identified. The evaluation of the vendor's experience, qualifications and solution often takes precedence over price. To determine the final award, both the proposed solution and the price offered will be weighted through evaluations according to the appropriateness of their value.

An RFP describes in general terms the needs of the State. Vendors are expected to propose their own comprehensive innovative solutions to the need described in the RFP.

The Agency must adhere to the following process when an RFP is involved.

- Determine the need for an RFP
- Obtain Office of Planning and Budget (OPB) letter for purchases over \$250,000.00
- Submit Requisition to DOAS
- Work with Assigned DOAS Contracting Officer to arrange facilitated session
- Review DOAS Guide to Developing a Statement of Work

- Review DOAS Guide to Determining Considerations for Evaluation Methods
- Attend DOAS Facilitated Session
- Establish Technical Evaluation Team
- Submit Draft Statement of Work via e-mail to DOAS
- Review DOAS recommended changes
- Revise Statement of Work and Schedule of Events and resubmit to DOAS
- Agree to final version of the RFP
- Schedule location and court report for pre-proposal conference
- Prepare answers to questions that were submitted in writing
- Attend pre-proposal conference
- Receive Technical Proposals
- Conduct Evaluation Team briefing
- Conduct evaluation of proposals
- Prepare Evaluation Worksheets
- E-mail evaluation results and evaluation sheets to DOAS Contracting Officer
- Approve DOAS Contracting Officer
- Successful Vendor Selection
- Issue a Notice of Intent to Award for proposals \$100,000.00 or more and post in the department's office or on the GPR
- Sign Contract
- Issue a Notice of Award for proposals \$100,000.00 or more and post in the department's office or on the GPR
- Public Notice
- Adequate public notice shall be given of the RFP in the same manner as provided for in the competitive sealed bidding discussion above.
- Receipt and Opening of Proposals
- Proposals submitted in response to RFPs must be submitted in sealed packages. RFP proposals require that within the complete proposal package there be separate technical proposals and cost proposals.
- Bids/proposals shall be opened to public inspection upon issuance of Notice of Intent to Award for all proposals \$100,000.00 or more. Bids/proposals shall be opened to public inspection upon contract award for all bids/proposals \$5,000.00 or more, but less than \$100,000.00

3. Evaluation Factors

The RFP shall state the relative importance of price and other factors and sub factors.

4. Discussion with Responsible Offerors and Revisions to Proposals

When evaluating any bid, proposal or statement of qualifications, the state may seek clarification from any bidder or offeror at any time.

Discussions and negotiations may be conducted with offerors who are deemed qualified and reasonably susceptible for award based on criteria set forth in the solicitation document. DOAS is authorized to engage in one or more rounds of discussions and negotiations for the purpose of seeking clarifications, revisions, and/or best and final offers for technical and/or cost proposal and all such discussions and negotiations shall be reduced to writing within the time prescribed by DOAS.

In conducting such discussions and negotiations, there shall be no disclosure to competing offerors of any information contained in the competing offerors proposals (technical or cost) except the disclosure of information derived from the proposals may be disclosed as follows: if the solicitation document contains a provision notifying offerors that the state may use a process of allowing multiple revisions to cost proposals to establish the final cost proposal, DOAS is authorized to disclose information derived from (but not contained in) the proposals to competing offerors such as overall rankings and overall scores for the purpose of soliciting ongoing revisions to cost proposals.

When DOAS uses negotiations, the following preliminary considerations, guidelines and procedures shall apply:

- 1) DOAS may elect to proceed with negotiations. In some instances, the condition supporting negotiations may be known to DOAS prior to issuing a solicitation. In some instances, the condition supporting negotiations may not be known to DOAS until after a solicitation commences.
- 2) If the DOAS elects to proceed with negotiations, a state negotiation team will be convened, which may be the same team as the evaluation team on any individual procurement.
- 3) Once convened, the negotiation team shall confirm the purpose and scope of negotiations and the identity of the offerors who shall be invited to participate in negotiations.
- 4) The negotiation team shall obtain approval from the Category Manager, or his/her designee, to proceed with negotiations.
- 5) DOAS shall identify which offerors shall participate in the negotiations in one of the following ways:
 - a. DOAS may identify in the solicitation document the methodology that will be used to identify offerors to

participate in negotiations. This may include, but is not necessarily limited to, a methodology that establishes a competitive range based on offerors' rankings following proposal evaluations.

- b. DOAS may identify in an addendum to the solicitation document the methodology that will be used to identify offerors to participate in negotiations.
 - c. DOAS may negotiate with all responsive responsible offerors following bid/proposal evaluations.
- 6) Offerors will be notified in writing (i) that DOAS is initiating negotiations; (ii) the general purpose and scope of the negotiations; (iii) the anticipated schedule for the negotiations; and (iv) the procedures to be followed for those negotiations. This information may be provided in a single or separate document(s).
 - 7) DOAS may issue additional information and/or instructions to offerors participating in negotiations as needed.
 - 8) After the negotiations, participating offerors may be asked to submit supplemental proposals defining the revisions that are a result of negotiations. Any request for supplemental proposals will be directed in writing to all offerors participating in the negotiations, and will provide details concerning the format and due date for the supplemental proposals.
 - 9) Negotiations may be completed after a single round, or may be done in several rounds as determined by the negotiation team.
 - 10) A written record describing the procedural steps taken in the negotiation process and the basis for final contract award shall be maintained.
 - 11) The DOAS may in its sole discretion terminate negotiations and/or the solicitation at any time.
5. Contract Award

Award shall be made to the responsible offeror whose proposal conforms to the solicitation and is determined in writing to be the most advantageous to the State taking into consideration price and evaluation factors set forth in the RFP. No other factors or criteria shall be used in the evaluation. The contract file shall contain the basis on which the award is made. Notice of the award of a contract to the successful offeror will be posted to the Georgia Procurement Registry after award.

5.8 Cancellation of Requests for Quotes or Requests for Proposals

An RFQ or RFP or other solicitation may be canceled, or any or all bids may be rejected in whole or in part as may be specified in the solicitation and which is in the best interests of the State in accordance with regulations. The reasons shall be made a part of the contract file.

5.9 Reverse Auctions

Reverse auctions may be used as a form of competitive bidding and as an alternative to sealed bidding. The reverse auction process allows the vendors to see the lowest bid but not the identities of the bidders during the bidding process. Once the reverse auction is closed, the SPD evaluates the bids and awards the contract to the lowest responsive and responsible vendor.

5.10 Compliance with Federal Requirements

Where the procurement involves the expenditure of federal funds, state agencies shall comply with federal law and authorized regulations which apply to the procurement. The APO shall contact the SPDAC if the federally required contract clauses appear to conflict with state law. Federal and/or private grant funds are not exempt from the Purchasing Act. The rules of competitive bidding still apply.

5.11 Electronic Solicitation

Competitive sealed bids and proposals can be received by way of the Internet or other electronic means, however, any bids or proposals received must comply with security standards established by the Georgia Technology Authority. The advertisement of the electronic sealed bids and proposals will be posted to the GPR, with directions on how to obtain access to the solicitation. The guidelines for the number of business days that a competitive solicitation shall be posted to the GPR as defined in the GPM, Chapter 3, Section 5.6, Item 3.C, Public Notice, may be reduced by up to 50% for electronic solicitations issued by DOAS and as approved by the Category Manager. This provision does not apply to construction bids.

Electronic solicitations, which include competitive sealed bids and proposals, will be administered pursuant to the “Georgia Electronic Records and Signature Act”. Electronic bids and proposals meet the sealed bid and proposal requirements. An electronic record meets any requirements for writing and an electronic signature meets any requirements for an original signature. All public electronic records are subject to inspection under the provisions of the Open Records Act and the GPM.

Electronic sealed proposals must include a technical proposal and a cost proposal. In its technical proposal, the offeror must provide a detailed and comprehensive description of the offeror's proposed solution to the State's needs. In its cost proposal, the offeror must describe the total cost of the proposed solution described in the technical proposal. The technical proposal will be released to the evaluation team, evaluated and receive a score and then the cost proposal will be released to the evaluation team, evaluated and receive a score. The two scores are added together.

The Issuing Officer will analyze the cost proposals independently, but at the same time the Evaluation Team is analyzing the technical proposals. The Issuing Officer will not disclose the cost proposals or the cost analysis to the Evaluation Team until after the technical proposals have been scored. Final scoring and selection of all responsive responsible offerors proposals will be by consensus after thorough discussion of each proposal.

Section 6: Types of Procurements

6.1 Agency Contracts

1. **Defining Agency Contracts.** Agency contracts are contracts in which a state agency is a contracting party. The phrase "agency contract" should be distinguished from "statewide contract," which refers to a contract established by DOAS to provide a mandatory source of supplies, materials, equipment or services for multiple state agencies. In contrast, the agency contract is generally solely for the use of the state agency named in the contract. For an example of an exception, please see the section of the Manual concerning "piggybacking."
2. **Establishing Agency Contracts.** To establish an agency contract, the agency must comply with competitive bidding requirements. The expected result of a successful procurement is a satisfactory agreement between the state agency and the contractor for the desired goods and/or services at a competitive price. This agreement, or agency contract, includes the solicitation and the accepted proposal as revised by any negotiations or the final bid. Please note that only SPD may conduct rounds of negotiations as identified in O.C.G.A. Section 50-5-67(a)(6). Finally, the agency agreement includes certain contractual terms and conditions which provide further definition of the parties' rights and duties under the agreement.
 - a. **Delegated Purchasing Authority.** The agency contract may be established by the agency unless the estimated cost of the solicitation exceeds the agency's delegated purchasing authority (DPA). If the estimated cost of the procurement exceeds the DPA, the agency must submit a requisition to SPD.
 - 1) **Monitoring the Open Contract.** If an agency establishes a contract in which the exact amount of goods and/or services to be purchased throughout the contract term is not fixed (also referred to as an "open contract") but the agency estimates the total purchases will not exceed the agency's DPA, then the agency must monitor the purchasing activity under the contract to ensure that the expenditures do not exceed the agency's DPA.
 - 2) **Special Request to Exceed DPA.** If the cumulative total of purchases throughout the duration of the open contract exceeds an agency's DPA, then the Request to Exceed Agency Delegated Purchasing Authority (DPA) form (available online) needs to be completed by the agency and submitted to SPD for approval.
3. **Duration of the Contract.** The duration of agency contract terms may vary. When determining beginning and ending dates of the initial contract term, the agency must consider both its needs and its budget. To ensure the contract dates comply with state policy prohibiting the pledging of the state's credit, the agency must set aside sufficient funds to meet the entire financial obligation of the initial term of the contract when the contract is signed.

- a. **Multi-Year Contracts.** An agency may establish a multi-year contract within its delegated purchasing authority (DPA) by including a contract provision approved by SPD providing the agency the right to renew the contract after the initial term. All multi-year contracts in excess of an agency's DPA must be established by the SPD.
 - 1) **Exercising a Renewal Option.** Before exercising a renewal option, the agency must evaluate whether it is in the best interest of the State to renew the current contract rather than competitively bid the procurement. For more information on exercising a renewal option, the agency should access the contract administration section of the Manual.
 - 2) **Contract Assessment Report.** As part of the contract renewal process, the APO must complete a Contract Assessment Report (available online) and maintain the report in the contract file. If the Agency contract is outside of the Agency's DPA, the Agency must submit the Contract Assessment Report to SPD with a request for renewal at least sixty days in advance of the expiration of the current contract term.
- b. **Contract Renewal Limitations.** No Agency contract can exceed the initial term plus four (4) options to renew or a combined total of five (5) years without SPD approval. If an agency requires a contract to exceed a total of five (5) years, justification must be prepared and submitted to SPD.

6.2 Types of Agency Contracts

1. **SPD Approved Standard Contracts.** SPD has developed contract forms and contractual terms and conditions to be utilized in developing agency contracts. The latest revised versions of SPD approved contract terms and conditions will be maintained on the DOAS website at <http://www.statepurchasing.doas.georgia.gov>.
2. **Defining Types of Agency Contracts.** An agency's selection of a contract will be dependent on the specifics of the solicitation.
 - a. **Subject Matter of the Procurement.** The contract terms and conditions are specific to the solicitation's subject matter, such as goods or services.
 - 1) **Contract to Procure Goods.** This type of contract is utilized when an agency procures a product.
 - 2) **Contract to Procure Services.** This type of contract is utilized when the agency desires the labor, time or effort of a contractor.
 - i. **Maintenance.** As an example of a service contract, a maintenance contract may be used for the upkeep of property that neither adds to its permanent value nor prolongs its intended life appreciably, but instead keeps it in an efficient operating condition. A maintenance contract for equipment should list the equipment to be maintained, serial numbers when possible, location of equipment, number and frequency of service calls and full details of services to be performed.

- b. **Type of Financial Transaction.** In addition, the contract terms and conditions may be separated by the type of financial transaction the agency desires.
 - 1) **Purchase.** The most common financial transaction accomplished by an agency contract is the purchase of goods or services.
 - 2) **Rental or Lease.** A contract for the rental or lease of equipment is used when an agency requires the use of equipment owned by a vendor for a specified time, in return for compensation.
 - 3) **Installment Purchase.** An installment purchase contract may be used when an agency desires to purchase an item by making payment over time.
- c. **Open v. Fixed Quantity Purchase.** An "open" agency contract is used when exact quantities needed are not known at the time the contract is established. A "fixed quantity" contract is used when exact quantities needed are known at the time the contract is established.

6.3 Insurance Limits

The insurance dollar limit coverage stated in the sample contracts section of the manual is recommended by State Purchasing. This recommendation does not imply that agencies cannot change the recommended dollar amounts. Each agency should fully assess the risk for lowering the recommended dollar amounts based on the particular need.

6.4 Multi-Year Contracts

1. State Purchasing is authorized to execute on behalf of all state agencies multi-year lease, purchase, or lease purchase contracts for the acquisition of goods, materials, services, and supplies.
2. A contract for supplies, services or equipment may be entered into for any period of time deemed to be in the best interest of the State, provided the term of the contract and conditions of renewals or extension, if any, are included in the solicitation and funds are available for the first fiscal year at the time of contracting. Payment and performance obligations for succeeding fiscal years shall be subject to the availability and appropriation of funds.
3. No contract developed and executed shall create a debt of the state for the payment of any sum beyond the fiscal year of execution or, in the event of a renewal, beyond the fiscal year of such renewal.
4. The contract shall state the total obligation of the user agency for the fiscal year of execution and shall further state the total obligation, which will be incurred in each fiscal year renewal term, if renewed.
5. The contract shall terminate immediately at such time as appropriated and otherwise un-obligated funds are no longer available to satisfy the obligations of

the user agency under the contract. The contractor shall be reimbursed for the reasonable value of any nonrecurring costs incurred.

6. The contract may provide for the payment by the user agency of interest or the allocation of a portion of the contract payment to interest.

6.5 Piggyback Cooperative Purchasing

Piggyback purchasing allows the issuing agency and the awarded vendor to agree to open up the contract for the use of other agencies. However, the vendor must offer other agencies the same prices, terms and conditions as that of the issuing agency. The contract is mandatory for the issuing agency and optional for all other agencies.

1. An agency will be permitted to use another agency's contract only with the approval of the SPDAC. The agency must submit documentation which includes the issuing agency's approval to "piggyback" on the contract, the contract number and the name of the vendor along with a justification as to why the other agency's contract should be used. The APO must indicate whether there will be repetitive purchases or whether this is a one-time buy.
2. All agencies that are given permission by the SPDAC to use another agency's contract must submit a monthly report listing other agency contracts that are being used along with a list of purchase orders and dollar amounts that have been issued against the other agency contract.

6.6 Notice of Award Amendments

1. Agencies must use the following procedures to make changes, revisions, extensions, renewals or cancellations to contract awards originally issued by an agency under the Delegated Purchasing Authority and Contract Awards originally issued by the SPD on behalf of an agency.
 - a. The APO should issue a letter to the contractor stating the Agency's desire to renew the contract at the same price, terms and conditions as the original contract. The letter should be issued to the contractor sixty (60) days prior to the expiration date of the contract. This allows the Agency sufficient time to send out a new solicitation for bids in the event that the contractor is not willing to renew the contract at the terms requested by the Agency.
 - b. The contract amount may change if the original contract included provisions for a change in terms. For example, the price may change if the original contract contained a price escalation clause. The letter to the contractor should contain the effective and expiration date of the original contract. In the event of a change, the letter should also contain a description of the change as well as any change in the monetary amount.
 - c. The renewal letter to the contractor can also provide for the contractor's approval signature and a date line with provisions for the letter to be returned to the Agency. Or, the APO may request that the contractor issue a letter of agreement on the contractor's letterhead.

- d. The APO should complete and issue the appropriate document which can be downloaded from the DOAS Procurement web site, for example, Notice of Contract Amendment, Notice of Contract Extension, or Notice of Contract Cancellation. If the Agency operates under an automated procurement system, a system-generated change should be initiated. The APO should issue to the vendor a copy of the appropriate Notice Form.
 - e. The APO shall maintain a copy of each approved document in the original contract file.
2. Following is the process for renewing agency contracts originally issued at the agency level:
 - a. The APO should issue a letter to the contractor stating the Agency's desire to renew the contract at the same price, terms and conditions as the original contract. The letter should be issued to the contractor sixty (60) days prior to the expiration date of the contract. This allows the Agency sufficient time to send out a new solicitation for bids in the event that the contractor is not willing to renew the contract at the terms requested by the Agency.
 - b. The contract amount may change if the original contract included provisions for a change in terms. For example, the price may change if the original contract contained a price escalation clause. The letter to the contractor should contain the effective and expiration date of the original contract. In the event of a change, the letter should also contain a description of the change as well as any change in the monetary amount.
 - c. The renewal letter to the contractor can also provide for the contractor's approval signature and a date line with provisions for the letter to be returned to the Agency. Or, the APO may request that the contractor issue a letter of agreement on the contractor's letterhead.
 - d. The APO should complete and issue the appropriate document to the vendor in accordance with their internal operating procedures. The APO should be cognizant of any price changes resulting from escalation or de-escalation clauses; and should ensure that all renewals contain original pricing as well as the changes in price. Documentation provided to the vendor should include at a minimum the same information contained on the Notice of Award Amendment form.
 - e. The APO shall maintain a copy of all pertinent documents in the original contract file.

6.7 SPD Established Contracts

1. The APO should send an electronic mail (e-mail) request to the SPD Issuing Officer indicating the original requisition number, vendor name, description of product or service, and action desired.
2. The SPD Issuing Officer will review the solicitation and award file for appropriateness of action and provide the APO with authorization to proceed via reply e-mail.

3. The APO should issue a letter of request to the awarded vendor(s) stating the action desired, effective and expiration date, if applicable, description of change, and any change in the monetary amount (original and new). The letter can provide for the vendor's approval signature and date line for return to agency or request that the vendor issue a letter of agreement on the vendor's letterhead.
4. The APO should obtain the signed approval document from the vendor.
5. The APO should download, complete, and sign the appropriate form. The APO should then forward the form and signed Letter of Agreement from Vendor to the SPD Issuing Officer via e-mail or Facsimile transmission.
6. The SPD Issuing Officer will sign the Notice Form and send a copy of each form and any other necessary documentation to the originating agency.
7. The APO and SPD will maintain a copy of all documents and transmissions in the original solicitation and award file.

6.8 Statewide Contracts

A Statewide Contract is a mandatory source contract set up by the SPD to consolidate volume purchases for goods and services. All state agencies are required to use statewide contracts when applicable. At the vendor's discretion and in accordance with the terms and conditions of the contract, local governments and municipalities may use the contracts.

1. Statewide Contract Releases
 - a. The APO should determine the Agency's needs regarding specifications, delivery, and quantity and use the statewide contract, which meets these requirements.
 - b. The APO should contact the vendor to place the order using the P-card or by issuance of the purchase order.
 - c. The item description, quantity, unit of measure, and unit price for each item ordered must be included when placing an order.
 - d. The Statewide contract number along with the NIGP code shall appear on each order.
 - e. The APO or a designee should sign the purchase order release.
2. Statewide Contract Waiver Requests
 - a. Waivers to contracts are allowed for purchases outside of existing contracts with approval from the SPD. Approvals will be limited to purchases with a specified time frame and/or dollar value. Justifiable reasons include, but are not limited to, the Agency's ability to pay, cost, delivery time, compatibility with existing agency situations, or special valid needs not covered by existing contracts, or specifications.
 - b. Requests for waivers shall be submitted by the APO in writing to the Issuing Officer responsible for the contract for which the waiver is submitted. The

contract name, number, quantity, price, and justification for the request shall be included. The Issuing Officer will notify the requester in writing with approval and a waiver number for the file. Waivers to statewide contracts do not relieve the agencies of any bidding requirements.

3. Statewide Contract Development

- a. DOAS is authorized to establish centralized contracts such as statewide contracts that utilize standard specifications in order to decrease the overall cost of the commodities to the State. Agencies cannot purchase similar commodities covered by statewide contracts unless authorized by DOAS.
 - 1) When the APO anticipates that the Agency has a new combined purchase need for an item of continuous usage, representing significant dollar volume, suitable for standard purchase, or inventory reduction, the APO should assemble data from the new item. This data should be relevant to the Agency's requirements which may include but are not limited to the following items:
 - Past or anticipated usage
 - Past average price per unit
 - Delivery requirements including delivery time and the number of locations
 - Past or known vendors and performance evaluations and any vendors who are considered unsatisfactory
 - Forecasted annual usage by delivery location
 - Required inventory levels and anticipated lead time
 - Special or unique conditions
 - Other agencies known to use the item
 - Past annual number of orders for the item
 - 2) The APO should submit information with data to the State Purchasing Acquisition Manager for Statewide Contracts requesting that a new contract be investigated.
 - 3) The State Purchasing Acquisition Manager for Statewide Contracts will discuss the item with the appropriate staff and assign the item to the work schedule for research and development.
 - 4) The State Purchasing Acquisition Manager for Statewide Contracts will review the requirements in conjunction with other agencies that possibly have the same requirements. If the requirements of the submitting agency and other state agencies appear to be sufficient, then the State Purchasing Acquisition Manager for Statewide Contracts will begin the process of

developing a new statewide contract. However, if the requirement is not large enough or appears to be localized to the requesting agency, then the State Purchasing Acquisition Manager for Statewide Contracts will notify that agency to prepare a purchase requisition for an Open Contract.

- 5) APOs are encouraged to submit their specific requests on a regular and continuing basis to ensure that their most urgent needs are reflected in the current work schedules and are invited to contact the SPD to discuss their consolidating and contracting ideas.
- 6) The SPD may form a Users Group with technical skills within the commodity area for SWC to provide their expertise and guidance during the evaluation process.

b. Scheduled Buys

- 1) The APO should submit requests for specific items to be developed for scheduled buys in accordance with the general procedure for development of term contracts or consolidated purchases.
 - A scheduled buy item is one scheduled for combined bidding and purchase for all agency requirements at one time, usually on an annual biannual, quarterly, or monthly basis.
 - For optimum purchasing benefit, a scheduled buy item should be ordered for delivery in one lot to each delivery location. This usually requires storage availability by each agency. If a single bulk delivery is not feasible, specific scheduled deliveries to each agency can usually be provided in the order.
 - A firm quantity commitment is necessary for a scheduled buy item.
 - To be a good candidate for scheduled buying, an item should be of use to more than one agency, fairly high dollar volume, storable, of standard quality, of somewhat seasonal nature, and forecasted to be in a rising price situation.
- 2) The SPD buyer will incorporate items into the work schedule for development of the scheduled buy.
- 3) The SPD buyer will research and develop items for feasibility of the scheduled buy. If scheduled, the SPD will notify the APO and request the APO to submit requisitions by a certain date.
- 4) The APO determines period requirements for his agency and submits a requisition to the SPD for the scheduled buy.

c. Administrative Fee

House Bill 312 and the Official Code of Georgia Annotated Section 50-5-51 (10) give the Department of Administrative Services (DOAS) the authority to collect moneys, rebates, or commissions payable to the State that are generated by supply contracts established pursuant to Code Section 50-5-57

and DOAS designates a vendor or vendors as authorized sources of supply (whether for goods or services). Therefore, as defined in the solicitation for statewide contracts for goods or services, DOAS may require awarded Contractors to provide a percent administrative fee that would be imposed on all sales under the contract. The administrative fee amount will be defined by DOAS and added to the apparent winning cost proposal prior to contract award.

6.9 Sole Source

Before making a determination of Sole Source, research must be conducted to determine if other products or service providers exist and can satisfy procurement requirements. Sound procurement practice requires that Sole Source procurement be used when it is the only option and not as an attempt to contract with a favored service provider or for a favored product. Agencies must publish all Sole Source procurements \$5,000.00 and over to the Georgia Procurement Registry for a minimum of three (3) business days. This process will provide notification of intent to procure as a Sole Source and offer other possible sources an opportunity to respond.

In a Sole Source situation, the APO must complete the Sole Source Justification Form and do one of the following: attach it to the appropriate agency file when the procurement is handled at the agency level or attach it to the purchase requisition when the procurement is to be handled by the SPD.

The Sole Source justification must include a letter from the Original Equipment Manufacturer (OEM) justifying the Sole Source need. The following information must also be included:

1. Scope of Work:

Provide the information to establish the context of the sole source, such as the item or service's function. Provide where and how the item or service is to be used, operational environment, previous experience or history.

Identify any efforts made to locate other possible sources, such as review of Thomas Register, industry organizations, Internet searches, and consultants, Requests for Information, Buyers Laboratory, advertisements or industrial publications.

2. Exclusive Capability:

Describe the proposed supplier's unique capabilities and explain why this is the only source available. Some examples in which Sole Source could be acceptable are:

- a. When only the proposed source can furnish the services because of its previous agency/Institute experience and having an alternative source duplicating these capabilities would result in excessive cost to agency/Institute. (Excessive cost must be quantified.)

- b. When only one (1) supplier can satisfy the technical requirements because of unique technical competence or expertise. (Technical requirements must be valid and verifiable.)
- c. The item does not satisfy the requirements for Sole Source, but the use of any other manufacturer's product would result in excessive cost to agency/Institute. (Excessive cost must be quantified.)
- d. When only one (1) source possesses patents or exclusive rights to manufacture or to furnish the item or service.
- e. Other extenuating circumstances or considerations include, as applicable, adverse impacts on agency/Institute of not using the proposed source, and other considerations not previously stated.

6.10 Sole Brand

Before making a determination of Sole Brand, research must be conducted to determine if other products exist which can also satisfy procurement requirements in a timely manner. Sound procurement practice requires that a Sole Brand procurement be used only when it is the last justifiable option, and not as an attempt to contract for a favored product. An approved Sole Brand request allows for the insertion of "No Substitute" after the commodity is specified by brand name, model number, or some other designation identifying a specific product of a manufacturer.

In a Sole Brand situation, the end user or the APO must complete the Sole Brand Justification Form and do one of the following: attach it to the appropriate file when the procurement is handled at the agency level or attach it to the Purchase Requisition form when the procurement is to be handled by the SPD.

The following information must be included:

1. Scope of Work:

Information to establish the context of the sole brand, for example, the function of the item or service function. Provide where and how the item or service is to be used, operational environment, and previous experience or history. Identify any efforts made to locate other possible sources, such as review of Thomas Register, Industry Organizations, and Internet searches, Consultants, Requests for Information, Buyers Laboratory, and Advertisements in Industry Publications and contact with Buyer.

2. Sole Brand Justification:

Some requirements may need to be provided by a certain manufacturer, for example, "to match existing uniforms." Explain why only a particular style, type or manufacturer is acceptable. A request for "Sole Brand" does not automatically eliminate bidding requirements, as the item may be available from more than one vendor.

6.11 Pre-Bid Procurements (Expedited Procurement Method)

1. The APO identifies a need to expedite the purchasing process for a requirement, which exceeds their Delegated Purchasing Authority, but in no case in excess of \$100,000.00
2. The APO sends a written request to the appropriate Purchasing Acquisition Manager (PAM) in the SPD to obtain approval to handle the requirement as a pre-bid.
3. Upon written authorization from the PAM, the Agency issues an RFQ for the requirement making sure all purchasing guidelines are followed.
4. Once all bids are received, a copy of the RFQ, bid solicitation list, lowest bid meeting all requirements of the specification, bid tabulation, and any other pertinent information must be submitted to the PAM for review. If the Purchasing Acquisition Manager agrees with the Agency's recommendation for award, the APO will be given written approval to proceed with the award.
5. For an open market procurement, the APO issues a purchase order. For an agency contract, the APO issues the Notice of Award and any subsequent purchase orders.
6. The APO documents the file with the written approval received from State Purchasing to proceed with the award.

6.12 Purchasing Card

These are the general guidelines for use of the State of Georgia Purchasing Card. For more information, see the Purchasing Card Program Contract Guide located on the DOAS web site. Select Procurement and scroll down to Agency Guidelines and Procedures and select P-Card Manual.

1. Uses of the Card

The Purchasing Card is intended to streamline the payment procedures and reduce the administrative burden associated with small dollar value purchases.

- a. **Mandatory Users** - The use of the State of Georgia Purchasing Card is mandatory for any agency or institution in the State of Georgia.
- b. **Non-mandatory Users** - The use of the State of Georgia Purchasing Card is available on a non-mandatory basis to all authorities, commissions, local governments and municipalities.
- c. **Authorized Purchases** – Generally the card may be used to pay for all commercially available goods, supplies, and services under the state required single transaction limit of \$5,000.00, or not otherwise affected by state imposed limitations and agency or institution imposed card controls.

2. General Procedures

The State of Georgia Purchasing Card may be used to procure items from statewide, state agency, and agency contracts.

Agencies and institutions must contact the State Purchasing Card Program Manager to arrange use of the State Purchasing Card contract. Each agency and institution is responsible for establishing its own internal procedures for use of the contract, and the procedures must comply with the terms and conditions of the contract.

At a minimum, the internal procedures must address the following issues:

- a. Designate an agency or Institution Program Coordinator, Electronic Contact, and Settlement Contact.
- b. Define the role of the Program Coordinator and ensure that all cardholders and approving officials realize that a liaison to the contractor exists within their agency or institution and that frequent calls to the contractor made at the cardholder level are unnecessary and undesirable.
- c. Develop coordination procedures between the Program Coordinator, Electronic Contact and Settlement Contact. Delineate the function and responsibilities of each contact as they relate to the contract.
- d. Establish the responsible office(s) for determining qualified cardholders, granting delegations of authority, spending limits and authorization activity codes. Determine who will approve changes to cardholder purchase limits and other exceptions.
- e. Establish coordination procedures between cardholders, their approving officials and the finance office.
- f. Determine the reporting hierarchy, the form of media to be used for reports, and the type and frequency of reports; formulate procedures outlining use of the chosen media.
- g. Determine what form of media will be used for receipt of invoices and payment option; formulate procedures outlining use of the chosen media.
- h. Complete all contact forms for the bank card provider designating all persons within each agency or institution who will be involved with the Purchasing Card Program. This includes the Program Coordinator, Electronic Contact, Settlement Contact and approving officials.
- i. Establish purchase procedures, including fax and computer orders. Address the content of and the retention of accountable documentation for each purchase.
- j. Formulate resolution and disciplinary procedures for situations involving improper usage of the card.
- k. Establish payment procedures, including attention to statement reconciliation at the cardholder and approving official levels and subsequent involvement by the Settlement Contact.
- l. Establish billing discrepancy procedures.
- m. Establish security measures for the cards in order to prevent unauthorized use and to limit the potential for fraud.

- n. Establish procedures to be followed in the event of lost or stolen cards, the termination or transfer of an employee who is a cardholder, and other such situations that may arise.
- o. Establish procedures for the retaining of accountable documentation for a period of no less than three years.

3. Program Requirements

- a. The agency or institution must identify cardholders, approving officials, Program Coordinator, Electronic Contact, and Settlement Contact. The Program Coordinator will serve as the Agency's or institution's primary liaison to the bank card provider and DOAS.
- b. Account set up forms must be completed by each agency and institution. In establishing each cardholder's purchase limits, agencies and institutions are cautioned to impose realistic spending limits. The established limits should reflect actual spending history and budgetary trends.
- c. All transactions made must be within each cardholder's purchase limits and an accountable document must be retained for each purchase.
- d. When the cardholder or appropriate level of reconciliation receives the monthly memo statement, it must be reviewed and reconciled against the accountable documents retained from each transaction. The reconciliation process should be completed within the time frame required in the Agency's or institutions internal procedures in order to provide sufficient time to allow for subsequent approving official review and payment by the settlement office within the time constraints established. The statement should then be sent to the approving official accompanied by sales draft copies or other accountable documentation in accordance with the Agency's or institution's internal procedures.
- e. Procedures must be in place in the event that a cardholder or appropriate level of reconciliation will not be available to reconcile and forward the monthly memo statement because of leave or travel. This will ensure that an agency's or institution's account standing does not become past due.
- f. The approving officials must then review each of their cardholder's statements and verify that all transactions were in the interest of the State Government and that purchases were made in accordance with internal procedures and State requirements. The approving official then forwards the necessary information according to agency or institution procedures to the Settlement Contact for reconciliation of the Official Invoice. If the approving official does not receive all of the cardholder's statements, it should be the approving official's responsibility to contact the cardholder and have the statement furnished at once.
- g. The Settlement Contact must make sure funds are available for payment on the due date.

- h. If a cardholder becomes aware that his/her card has been lost or stolen, he/she must immediately inform the Program Coordinator and Bank of America. A replacement card will be made available per contract requirements.
 - i. If a cardholder or appropriate level of reconciliation thinks a transaction listed on the monthly memo statement is incorrect, a completed Purchasing Card Dispute Form must be sent to the bank card provider. The bank card provider will immediately credit the purchase until resolution procedures show whether or not the purchase should be paid for by the State.
 - j. Due to the variance in definitions of small and minority businesses, accurate data by the State's definition cannot be obtained from the card. If this information is required by the agency or institution, it will be the responsibility of that agency or institution to develop procedures for tracking this data.
4. Reporting Requirements

The purchasing card may be used to purchase small value services under \$5,000.00 provided that each agency or institution follows all federal laws applicable to the reporting of spending with 1099 vendors. InfoSpan reporting software allows for the tracking of Purchasing Card spending with 1099 vendors. This data would have to be merged with accounts payable data to determine the applicability of 1099 reporting to the IRS. It is the responsibility of any agency or institution wishing to use the State of Georgia Purchasing Card for the purchase of services under \$5,000.00 to put in place procedures to comply with any federal tax laws regarding 1099 reporting. Please consult your agency's or institution's tax department for 1099 reporting requirements.

6.13 Emergency Purchases

1. Unless otherwise prohibited by State Purchasing, agencies are authorized on their own behalf to purchase in accordance with O.C.G.A., and to report such purchases to State Purchasing. Therefore, SPD approval is not required in advance of an emergency purchase.
2. Emergency circumstances exist where normal purchasing procedures cannot be utilized without extremely detrimental effects upon the operation of the Agency and the State's business. The purchase should be handled by the APO using Open Market purchasing practices, as appropriate. The purchase order should provide documentation as to the circumstances surrounding the emergency and should clearly state "emergency purchase" on the face of the purchase order (PO).
3. The APO must provide written justification and a copy of the PO and all pertinent documentation to the SPD relating to the purchase transaction after the purchase.
4. The APO will issue a PO to the vendor marking the PO "Emergency Purchase".

6.14 Surplus Property

The APO should determine if the item is available from various surplus property, such as property available for transfer that is not covered under Mandatory Source.

If the item is available from Surplus Services, the APO should prepare and issue a purchase order for the specific requirements or the Agency can make payment with a government purchase card. Purchase orders should be coded as an open market with a comment on the purchase order stating that this purchase is from a governmental source.

The buyer for the Agency should physically inspect such items offered for transfer and, if suitable, make payment and take possession of the items at once.

NOTE: To secure an item from State or Federal Surplus Property, the APO should refer to the following Surplus and Supply web site link.

<http://gasurplus.doas.state.ga.us/apps/gss/surplus.nsf>

6.15 Purchase of Used Equipment

When purchasing used equipment, the APO should determine if the equipment is suitable for intended use and is as economical to use as new equipment. In doing so, the following requirements shall be met:

1. The APO shall determine if any comparable specifications can be obtained.
2. The APO shall determine if there is a market for the commodity and who can supply the commodity.
3. The APO shall have used equipment examined by qualified personnel who will furnish a written certification as to the condition and value to the agency. This certification should include good working condition for intended use, price comparisons to comparable used equipment, and substantial savings versus comparable new equipment.

After reviewing the above requirement and determining that no comparable specification can be written and that there are no other vendors to supply this equipment as a used commodity, the APO shall prepare a PO with all documentation of findings attached, process the PO as a Sole Source Procurement, and maintain a copy of the documents in the contract file. There must also be a letter from the vendor indicating the price for the used equipment and any warranty they might offer. If the purchase exceeds the Agency's Delegated Purchasing Authority, the APO shall prepare the requisition for the SPD and ensure that all necessary documentation is in order. The SPD will process the requisition as a Sole Source Procurement. If the documentation is not justifiable, the SPD will process the purchase order as an Open Market procurement.

Section 7: Special Approvals

Special approval requisitions must have prior approval before the SPD can begin the purchasing process. In these instances, the APO is advised to plan well in advance and submit required information to the appropriate special approval authority as soon as possible.

7.1 Office of Fleet Management Approval of Motor Vehicles

All purchase orders for motor vehicle purchases shall be processed in the following manner:

1. The APO shall obtain approval from DOAS Office of Fleet Management (hereinafter “OFM”) to purchase vehicles.
2. If the purchase request is approved by OFM, the purchase order(s) must be forwarded to OFM for review and signature approval.
3. Once OFM has determined that the purchase order(s) is compliant, the OFM will forward the approved purchase order(s) to the APO with authorization to release the order to the appropriate contractor.
4. If the purchase order(s) were non-compliant, OFM will deny and return the purchase order(s) to the APO with a disposition.
5. Every transaction is independent. If DOAS OFM approves the Agency purchase request for a particular vehicle no substitutes are allowed after the fact. The Agency must submit a new request to the DOAS OFM if the type of vehicle is different than originally submitted.

7.2 Technology Products and Services

The legislature established the Georgia Technology Authority (GTA) in July 2000. GTA is responsible for the procurement and operation of all the information technology (IT) and telecommunication products and services for the state of Georgia. Requests for technology procurements must be submitted to GTA for review.

7.3 Trade-In of Used Equipment

1. The APO must contact DOAS Surplus Property for approval to include the disposal of used equipment in the procurement of similar new equipment. Upon receipt of approval from Surplus Property, the Agency may include the trade-in of used equipment in the procurement of new equipment. The APO should follow normal procurement procedures.
2. The APO should list the used equipment and provide detailed information of the equipment, including but not limited to make, model, age, condition, serial number and location. The equipment may be offered for public inspection during the procurement process.

3. It is recommended that the equipment to be traded in be listed separately to allow the Agency the option of accepting the trade-in value offered by the vendor or not.

Section 8: Inspection of Plant and Audit of Records

8.1 Right to Inspect Plant

By submitting a bid or proposal to the State, the bidder/offeror agrees to permit the State the right of inspection at the bidder's/offeror's plant or warehouse. Upon request, the bidder/offeror shall provide all reasonable facilities and assistance for the safety and convenience of the State's appointed representative in the performance of such inspection.

8.2 Right to Examine Records

DOAS shall have the power to examine books, records, and papers of any board, department, commission, institution, or office of the state government relative to purchases and to require those in control thereof to furnish the department with copies of any and all records pertaining thereto. At the direction of the Governor, the department shall report in such detail as may be required any purchase or purchases made by any such branch of the state government.

8.3 Procurement Records

Each procurement file should be identified so it can be readily located and referenced. All purchasing transactions should be supported with appropriate documentation. The agency may maintain the files either in hard copy or in electronic form as long as the documentation is accessible to the team. It is important that documentation maintained in electronic form has the same level of detail that would be available in hardcopy, including authorized signatures.

8.4 Purchasing Process Reviews

1. Purpose of the Review

The SPD will conduct Purchasing Process Reviews of the purchasing practices of all agencies that fall under the purview of the SPD. The purpose of the review is to determine if agencies are complying with Georgia's purchasing statutes and rules, and whether they should continue to have the same level of delegation, have it reduced, or qualify for an increase.

2. Preparation

- a. The SPD staff may enter the premises and obtain an agency's purchasing records for the purpose of the Purchasing Process Review. The agency shall cooperate with the review staff, provide them with requested records, adequate office space for conducting the review, and ensure that agency

purchasing staff is available for discussion of purchasing transactions. A typical review lasts three (3) days.

- b. The SPD purchasing staff will send an Engagement Letter to the Agency at least thirty (30) days prior to the review. The SPD will also send an Internal Controls Questionnaire; Engagement Outline; and a Purchasing Staff Survey form which must be returned to the SPD within 14 calendar days after receipt. The SPD will request the Agency to submit a copy of the Agency's Internal Policies and Procedures Manual, and a Purchasing Card Manual within 14 days prior to the review.

3. Entrance Conference

Upon arrival, the review team will conduct an interview with the APO. The In Charge Auditor will ask questions pertaining to the internal controls of the Agency.

4. Field Work

The SPD team will review the following:

- a. Administrative Controls
- b. Competitive Purchases
- c. Agency Contracts
- d. Statewide Contracts
- e. Mandatory Sources
- f. Purchasing Card

5. Exit Conference

The review team will conduct an exit conference with the APO. During the conference the In Charge Auditor will discuss the findings and will highlight areas of non-compliance as well as recommendations for corrective action. The team will prepare a draft report and will provide the agency with a copy within two (2) weeks following the review. The agency will be given thirty (30) days to respond to the team findings. The response should contain supporting documentation and any corrective action that the Agency is planning to take in accordance with the review team's recommendations.

6. Finalizing the Report

The SPD will take the agency's response into consideration before providing the final report. The report will be provided to the Agency Head with a copy to the APO, SPD, Department of Audits, and the Board of Regents as appropriate.

7. Impact

The results of the Purchasing Process Review will be taken into consideration by the SPD in reviewing the appropriateness the agency's Delegated Purchasing Authority dollar threshold.

8.5 Desk Audits

The SPD will conduct desk audits of Agency procurement operations. These audits will be conducted using the state's financial system.

1. Audit Process

The review team will conduct electronic sampling of the Agency's purchase orders to determine compliance with the GPM. The review may include but is not limited to the following:

- a. Evidence that the bid evaluation was completed and that award was based on the lowest responsive/responsible bidder; documentation regarding any rejected bids.
- b. Competitive bidding process over \$5,000.00
- c. Multiple purchases
- d. Number of bids solicited
- e. Delegated Purchasing Authority
- f. Signatures on purchase orders
- g. Mandatory source requirements
- h. Correct use of sole source and sole brand procedures
- i. Correct use of statewide and agency contracts
- j. Approvals
- k. Delivery and payment terms
- l. Purchase Order Types
- m. Purchase Coding
- n. Posting to the Georgia Procurement Registry

2. Purchasing Process Review Report

The review team will conduct a telephonic exit briefing with the APO. The Agency will be provided with a draft report and will be given an opportunity to respond. The Agency's response will be taken into consideration and will be incorporated into the final report. The time frame for finalizing the report is the same as on-site reviews. The distribution is the same as with on-site reviews.

Section 9: Determinations and Reports

9.1 Finality of Determinations

The determinations required by the following are final and conclusive unless they are clearly erroneous, arbitrary, capricious, or contrary to law: Competitive Sealed Bidding, Correction or Withdrawals of Bids made by Issuing Officer, Cancellation

Awards, Competitive Sealed Proposals, Contract Extensions and Renewals, Award, Sole Source Procurement, Emergency Procurements, Special Procurements, Responsibility of Bidders and Offerors, Determinations of Non-responsibility, Types of Contracts, and Multi-Year Contracts.

9.2 Reporting of Anti-Competitive Practices

When for any reason collusion or other Anti-Competitive practices are suspected among any bidders or offerors, a notice of relevant facts shall be submitted to the Attorney General.

9.3 Retention of Procurement Records

[The Georgia State Records Management Program](#) provides guidelines and standards to state and local government agencies.

1. Duty of Agencies

Each Agency is responsible for establishing its retention schedule. Agencies may retain records in an electronic format as long as the records contain the same information in the electronic format that is contained in the hard copy of the record.

2. Retention Schedule in the SPD

- a. The SPD retention schedule for agency contract and RFP files requires retention for six (6) years following the cutoff when the contract becomes inactive upon expiration of contract. Files should be pulled and transferred at the end of the fiscal year.
- b. The SPD retention schedule for construction files has a statute of limitations of six (6) years. Upon expiration of a construction file, it is designated inactive and the cutoff date is at the end of that fiscal year. This inactive file should remain in the current files for one additional year and afterward should be transferred to archives and held for five (5) years, then destroyed.
- c. The SPD retention schedule for Statewide Contract files has a statute of limitation of six (6) years. Upon expiration of the contract, transfer to inactive file. Cut off the inactive file at the end of each fiscal year, then hold in current file area one (1) year, then transfer to State Records Center, hold five (5) years; then destroy.
- d. The SPD retention Schedule for Open Market Purchases has a statute of limitations of five (5) years. These records are microfilmed and then held in the current file area for nine (9) months and then destroyed. The microfilm negative is maintained in-house for five (5) years or until no longer needed for reference, then destroyed. The duplicate negative is transferred to the State Records Center for security storage and is held for five (5) years and then destroyed.

Chapter 4: Specifications

Section 1: Specifications

DOAS has the authority to establish standard specifications for purchases of the State of Georgia for all supplies, materials, and equipment purchased or to be purchased for the use of the state government for any of its departments, institutions, or agencies. The APO should assist the end-users in the preparations of specifications.

Preparing specifications involves three major considerations which include: design consideration of function; manufacturing considerations of economical production; and procurement considerations of markets, materials availability, supplier capabilities, and cost. The function of an effective specification should be to identify minimum requirements, allow for a competitive bid, list reproducible test methods to be used in testing for compliance with specifications, and provide for an equitable award at the lowest possible cost.

There are many available sources that can be of assistance in specification preparation, such as: state, local and Federal governmental agencies; manufacturer and distributor sales, literature and company web sites; the National Institute of Governmental Purchasing and Technical Information Exchange program; Association of users, manufacturers and technical societies; and staff personnel. The State cannot accept or award bids for a solicitation from vendors who received compensation from the agency to participate in the preparation of specifications for which the solicitation is based.

1.1 Performance Specifications

Performance specifications are based on the expected result, or performance, of a product or service. The technical specifications describe the functional requirements of the user. Neither the manufacturing process nor product composition is specified, but is left to the bidder to decide the best way to meet or exceed the requirements. This type of specification assures compliance of requirements and, in case of failure, the responsibility lies with the contractor. In addition, it assures inclusion of all applicable new product developments.

1.2 Design Specifications

Design specifications rely on how a product is made rather than what it does. Design specifications frequently use physical dimensions to describe the product. When at all possible, group terms (such as type, grade, class, and composition) should be used to designate items, and if further clarification is needed, then specify classifications (such as style, color, form, weight, and size) suitable for reference. Design specifications tend to restrict competition and, in cases of failure, the responsibility lies with the buyer. In addition, the cost of inspection to assure compliance with the design requirements may be costly.

1.3 Combination of Performance and Design Specifications

The combination of performance and design specifications effectively utilizes characteristics of both major specification types as prerequisites and as limiting factors in development. Other qualifiers which may be included in specifications are Brand or Trade Name, Qualified Products List (QPL), samples, and bidder's response form.

1.4 Alternative Specifications

1. Brand or Trade Name

A brand name and model number designates a specific product of a manufacturer as an example of the quality level of materials and workmanship desired. Items equaling or surpassing this quality level are understood to be acceptable. Therefore, the specification should always be stated "approved equal" to indicate that items equivalent in quality to the specified brand names will be acceptable. When used, brand name specifications should indicate that the brand is used merely as a reference and not as a statement of a preference for the specific product cited. If possible, more than one brand name may be used which are acceptable and meet specifications. In addition, brand names used should be known throughout the industry or have specifications that are readily available. The specification must name the salient characteristics which are to be used in comparing brands and determining the award, but also must clearly state that these factors are not the total consideration. This is accomplished by determining the minimum acceptable requirement levels or tolerances for the following: significant features, performance, quality, service availability, and compatibility. Use of manufacturer's descriptive literature (cut sheets) is NOT ACCEPTABLE.

2. Qualified Products Lists (QPLs)

Qualified Products Lists (QPLs) are a list of products maintained by an agency that meets established specifications. Manufacturers submit products for comparison and/or testing to the established specification. If the product meets the specification criteria, the product and model number are approved for the list. When the Request for Quote is issued, only those products listed on the QPL are considered for award. An Approved Brands List (ABL) is a form of QPL in that a list is maintained and it functions much the same way as a QPL. An example of an approved brands list is the statewide contract for office furniture.

3. Samples

Samples may be required to be submitted with a bid for comparison and testing in order to ensure compliance with a general or detailed specification. Sample comparison and testing have been useful for such items as waxes and floor finishes, paints, disinfectants and germicides, file cabinets, tires, cleaning agents, classroom furniture, printing forms, and art materials. The samples unidentified by manufacturer are subjected to various kinds of comparisons, ranging from visual inspection and evaluation to chemical and physical laboratory tests to in-use applications. Data and relative performance results must be documented, and

determinations made of the best value. Samples may also be of great value in ensuring compliance and satisfaction after award, before production, where final award of a contract is contingent upon a satisfactory pilot model or prototype. All samples must be maintained for ninety (90) days and awarded sample must be maintained for life of the contract.

4. Bidder's Response Forms

Bidder's response forms provide bidders an opportunity to respond to individual requirements. Supporting data must be submitted along with the Bidder's Response Form, such as vendor catalog pages and product specification sheets.

Chapter 5: Construction

Section 1: Contracting for Construction

This section outlines general policies for contracting for construction.

1. The user determines and transmits to the APO the unit's construction requirements.
2. The APO determines the user's exact need regarding specifications, conditions and schedule requirements.
3. The APO selects the Design Professional (Architect or Engineer) to prepare required drawings and specifications for the project. Such drawings and specifications should be prepared by qualified agency personnel according to the proposed project, the agency's program, the availability of personnel and Georgia law.
4. The APO coordinates the technical conditions, specifications and required drawings of the construction project with the agency personnel designated in 1.3 above. This will include preparation of the complete bid package including all prints, general and technical specifications, and the standard terms and conditions for construction projects. A project manual with Standard Terms and Conditions has been developed, and must be included with all construction projects.
5. The APO prepares a requisition and secures all necessary approvals and clearances.
6. The APO processes the requisition and ensures that it includes the following:
 - a. The project description and location. These must read as it appears in the specifications and plans since this is the description that will appear in the contract and on all required bonding documents.
 - b. The name(s) and address(es) of person(s) who will be responsible for distribution of plans and specifications to contractors requesting copies. The name(s) will appear in the RFQ and in the legal advertisement.
 - c. The amount of deposit required for obtaining a copy of plans and specifications.
 - d. Name(s) and address(es) of Agency personnel to receive correspondence (for example, copy of RFQ, bonds for approval and completed contracts packages) sent or forwarded from the SPD.
 - e. Name and title of the person in the agency who will be responsible for signing the contract.
7. The APO submits the requisition with one copy of the plans and Project Manual to the appropriate SPD. For projects over \$100,000.00, upon receipt of the requisition, the APO or the SPD will:

- a. Review the submitted bid package for general adequacy for the intended purpose.
 - b. Coordinate changes required, if any, with specified Agency personnel to ensure that competitive bids can be obtained.
 - c. Upon determination that bid package is suitable for intended purpose prepares a Request for Quote with required information for suitable vendors/contractors.
 - d. Establish time and date for opening of bids and notify Agency designee of same.
 - e. Prepare legal advertisement and post the bid opportunity on the Georgia Procurement Registry.
8. The designated party must distribute plans, specifications, project manuals, and all addenda to vendors, contracting firms and others. A deposit may be required from those who order such documents.
9. The designated party must maintain accurate records of firms, addresses (postal and e-mail), and telephone numbers of parties receiving copies of plans, specifications, project manuals, and all addenda and provide a copy of the completed list to the SPD prior to the bid closing date.
10. The APO provides a copy of all addenda issued to the SPD, prior to the “Bid Closing Date/Time.”
11. The bid officer opens and reads in public on the date and hour stipulated in the RFQ. The APO and design professionals are invited to attend bid openings.
12. For bids \$100,000.00 and over the SPD tabulates bids and forwards recommendations for award to the APO.
13. Evaluation and recommendation:
 - a. The Agency accepts the bid. If alternates are a part of the bid, the notice of acceptance must show the alternates to be exercised and the amount of each alternate along with the total amount of the contract.
 - b. If the Agency wishes to reject all bids, list the reason(s) for rejection and whether re-bidding is desired.
 - c. For projects \$100,000.00 and over, the APO will transmit to the SPD notification of this decision.
14. Upon preparation of the Notice of Award by the SPD, the APO will prepare proper contract documents and send to accepted bidder with complete instructions for the preparation and submission of all required contract documents.
15. Upon receipt of completed documents from the bidder, the APO will check for completeness, correctness and compliance with all requirements of the bidding documents (including the submission of Performance and Payment Bond) and Georgia Law.

16. The APO must have all copies of the contract signed by the appropriate person and forward one copy to the accepted contractor. For projects \$100,000.00 and over, the APO must forward one copy (along with a copy of the bonds) to the SPD and one copy of contract and purchase order to the accepted contractor.
17. The agency is responsible for administering and monitoring the project through the entire construction phase.
18. For projects awarded by the SPD, the APO must submit for approval copies of all change orders, prior to issuance to the SPD. The SPD will promptly approve all properly drawn and validated change orders that are within the statutory limitations.
19. The SPD will assist the agency, upon request, in clearing up problems that may arise during the construction phase. (See Contract, Performance, and Administration.)
20. The APO will provide written notice to the SPD upon contract completion and final acceptance of the project. The SPD will, upon receipt of notice of completion and acceptance, close the active file.

Section 2: Bonds and Insurance

2.1 Bid Security

1. If bid bonds are required, all bidders must submit a bid bond with the bid. Bid security shall be required for all competitive sealed bidding for construction contracts when the project is estimated by the APO to be \$100,000.00 or more. The bid security shall be a bond provided by a surety company authorized to do business in the State of Georgia. The State may waive the requirement of such bonds on construction contracts under \$100,000.00.
2. The amount of security shall be an amount specified in the solicitation.
3. When the RFQ requires bid security, noncompliant bids will be rejected.
4. After bids are opened, bonds shall be irrevocable for the period specified in the Request for Quote. If a bidder is permitted to withdraw the bid before award, or is excluded from competition before award, no action shall be taken against the bidder or the bid bond.

2.2 Contract Performance and Payment Bonds

When a construction contract is awarded and bonds are required, the following bonds shall be delivered to the State and shall become binding on the parties upon the execution of the contract:

1. A Performance Bond satisfactory to the State, executed by a surety company authorized to do business in the State of Georgia or otherwise secured in a manner satisfactory to the State, in an amount equal to one hundred percent (100%) of the contract price.

2. A Payment Bond satisfactory to the State, executed by a surety company authorized to do business in the State of Georgia or otherwise secured in a manner satisfactory to the State, for the protection of all persons supplying labor and material to the contractor or its subcontractors for the performance of the construction work provided for in the contract. The bond shall be in an amount equal to one hundred percent (100%) of the contract price.

2.3 Insurance and Indemnification

1. The contractor is also responsible for indemnifying the owner for all the contractor's agents, employees, or subcontractors.
2. The contractor shall not commence work until proof of insurance has been provided at the limits specified in the contract.
3. The contract shall identify and hold harmless the owner from and against any claims of liability to a third party for any loss due to injury or damage arising out of or resulting from the performance.

Section 3: Change Orders

Change orders are defined as any administrative change, scope of work change, specifications change, quantity and/or dollar value change.

The following procedures should be followed:

1. The APO shall complete a Change Order Form and attach all appropriate documentation supporting the request. (See Appendix.)
2. If the Purchase Order was issued from a solicitation conducted by the SPD, the completed Change Order Form and all appropriate documentation must be forwarded to the SPD for approval. After approval, the SPD will forward written approval to proceed, along with the change order, to the APO.
3. The APO must sign the Change Order. The change is issued to the contractor and the APO sends a copy to the SPD.
4. The APO will maintain a copy of the executed change order form, along with supporting documentation, in the bid file.

If the purchase order was issued by result of a solicitation conducted by the SPD, the APO must forward a copy of the executed change order form, along with supporting documentation, to the SPD.

Chapter 6: Contract Administration

Section 1: Agency Responsibilities

The goal of contract administration is to ensure that the contract is performed by the contractor and the responsibilities of both parties are properly discharged. It is the responsibility of the agency staff to oversee, monitor, and provide technical guidance to contractors performing under a contract.

The APO/designee is responsible for managing the contract after contract award. All direction to a contractor must be within the scope of the contract. Agency personnel must not impose additional requirements upon the contractor or make changes that are out of scope of the contract. In addition to the guidelines contained in the GPM, the APO should refer to the Contract Administration Guide for additional guidance.

Section 2: Functions of the Contract Administrator

1. The Contract Administrator has key responsibilities related to the contract. The first and foremost responsibility is to provide both technical oversight and direction. It is also the role of the Contract Administrator to review all work that has been or is being performed by the contractor, confirm that the work being performed is in accordance with the specifications and provisions of the contract, and address any performance deficiencies. The Contract Administrator is responsible for monitoring the progress of the contract and may perform inspections.
2. In addition, whenever the contract so prescribes, the Contract Administrator is responsible for acceptance of the work product or service provided. If changes need to be made to the contract in the form of modifications, terminations or claims disposition, the Contract Administrator manages this process. The Contract Administrator should document all actions taken regarding the contract and then maintain the original documentation concerning such actions in the official contract file. The Contract Administrator is responsible for reviewing and approving invoices submitted by the contractor, and for monitoring their payment for timeliness and accuracy.
3. It is the role of the Contract Administrator to renew the contract at the predetermined interval (usually on an annual basis) until the contract expires or is terminated. At the end of the process, it is the responsibility of the Contract Administrator to close out the contract file.

Section 3: Contract Management

3.1 Kickoff Meeting

1. A Kickoff meeting (also known as a post-award meeting) is a conference of the principals responsible for administering the contract held immediately upon award of a contract. It is an orientation for the contractor to ensure a clear and mutual understanding of all contract terms and conditions and the respective responsibilities of the parties. It is an excellent tool to clarify and resolve any potential misunderstandings. Although both the contractor and agency personnel should be fully aware of the requirements of the contract at the time of award, the Kickoff meeting ensures that those involved directly in the contract administration process understand all requirements of contract performance. The meeting should be held within five (5) working days after contract award but no later than 12 days after contract award. The issuing officer should establish the time and place of the meeting, prepare an agenda, and notify all appropriate personnel.
2. Agency personnel should conduct a preliminary conference to properly plan for the kickoff meeting. The kickoff meeting should cover the following areas:
 - a. Scope of the contract, for example, specifically, what the Agency is buying.
 - b. Contract terms and conditions, particularly any special contract provisions.
 - c. Technical and reporting requirements of the contract. Reporting requirements are a means to keep the Agency informed regarding contract status and verify that the contractor's progress coincides with contract requirements.
 - d. Applicable contract administration procedures, including contract monitoring and progress measurement.
 - e. The rights and obligations of both parties and the contractor performance evaluation procedures.
 - f. Potential contract problem areas and their possible solutions.
 - g. Invoicing requirements and payment procedures. This is important if payment will be made according to milestones achieved by the contractor.
 - h. Liquidated damages and Performance Bonds must be discussed with the contractor and conditions for enforcement explained.
 - i. Agency personnel must explain the limits of their authority, and obtain the same information regarding contractor personnel.
3. After the Kickoff meeting, the Contract Specialist must prepare a memorandum for the file detailing the items covered. It must include areas requiring resolution, a list of participants, and, in particular, those individuals assigned responsibilities for further action and the due dates for those actions. Copies of the memorandum should be distributed to all participants.

3.2 Contract Administration Plan

The objective of a Contract Administration Plan (CAP) is to ensure that all Agency personnel have a common understanding of both the contractor's and customer's respective obligations. It is a cursory view of planned and completed activities, and can be utilized throughout the term of the contract as a status report. Among the items that to be included in the CAP are:

1. Statement of Work, Identification of all deliverables, milestones and due dates.
2. List of all contract modifications/amendments issued.
3. Summary of all invoices submitted and paid.
4. List of all option/renewal dates and option/renewal notification dates.
5. Contract Milestones are for service type contracts and also some production contracts, the contract may require the contractor to achieve certain milestones or events at stated intervals. The contract may or may not provide for payment to the contractor upon the timely achievement of the milestones. Contractor achievement of milestones may be inspected for the purposes of invoice approval or performance monitoring.
6. Performance monitoring is to ensure that the contractor is performing his duties in accordance with the contract and to determine whether any problems are developing that need to be addressed.
7. Submit periodic progress reports. Comparing these reports with the contract schedule shows whether or not the contractor is making progress in accordance with the terms of the contract.
8. List of the resources which the contractor applies to the work required. Such resources should be utilized in accordance with the proposed levels in the contract.
9. The costs incurred by the contractor must be in accordance with the contract rate schedule. Invoices must be reviewed to ensure that the contractor's billing coincides with its progress. This requires that the contractor's progress be measurable. (Costs incurred or invoices submitted, are insufficient indicators of the contractor's progress.) If the end user believes that the requested payment exceeds the contractor's progress, an explanation must be requested from the contractor prior to approval of the invoice. Payment should be withheld pending Agency satisfaction with the contractor's progress.
10. The Contract Specialist must work with the contractor to assure the timeliness and quality of deliverables. Any delay in delivery or poor quality of products or services is an indication that the contractor may be experiencing problems. Prompt inquiry may avoid further delays or quality problems. If a contractor is late in the delivery of goods or meeting a milestone, the Contract Administrator must immediately contact the contractor to ascertain the circumstances regarding the delay. However, it is the contractor's responsibility to identify schedule or performance issues and correct deficiencies in order to get back on track.

11. Deliverables must be inspected as soon as they are received to ensure that quality deficiencies are not repeated in the next shipment. (See Delivery of Goods/Performance of Services.)
12. More complex contracts may require in-process reviews and visits. Site visits to the contractor's facility by the Contract Administration and Program Manager can be utilized to verify actual performance against scheduled or reported performance. They can also assure that the contractor is dedicating sufficient resources and appropriate personnel to the contract. Site visits also reinforce the importance of the contract to the contractor, as well as provide the opportunity to enhance communication with the contractor and follow up on any previously noted discrepancies. In-Process Reviews and audits are detailed evaluations of the contractor's performance, and are generally restricted to the most complex and critical contracts.

3.3 Monitoring by Outside Vendors

In some instances the obligation of monitoring a contractor's progress is assigned to another contractor, for example, on a construction contract, the task of ensuring progress in accordance with the contract may be handled by the architectural firm that provided the plans for construction. For highly technical work, consultant subject matter experts may perform monitoring services independently or by Project Manager.

3.4 Delivery of Goods and/or Performance of Services

1. Inspection and Acceptance

The products delivered by the contractor must be inspected by the Project Manager upon receipt, and either accepted or rejected. For service contracts, inspection and acceptance may be upon the completion of stated tasks or timely achievement of milestones or events. The Project Manager must immediately notify the Contract Specialist of the inspection results. Acceptance constitutes Agency acknowledgment that the supplies or services conform to the quality and quantity requirements set forth in the contract.

2. Rejection of Goods or Services

If performance, goods or services do not meet the contract requirements, the Program Manager must identify the deficiencies and advise the contractor and the Contract Specialist, in writing, so that remedial action can be taken immediately. It is critical that all rejections be fully documented since these will be used to support any disapproval of invoices. Upon receipt of a rejection notice, the Contract Specialist must immediately contact the contractor to ascertain what corrective actions the contractor is taking to correct the deficiency and assure that future deliveries/performance meet the contract requirements. Contractors must be given prompt notice of rejection, including the reasons for rejection. If prompt notice is not given, acceptance may be implied as a matter of law. Contractors must be given an opportunity to correct or replace nonconforming goods or services when that can be accomplished within the delivery schedule. Correction

or replacement must be without additional cost to the Agency. Additionally, contractor performance must be well documented to provide a historical record that can be used in making future contract evaluation/award decisions.

3. Acceptance of Nonconforming Goods or Services

Nonconforming goods or services may, however, be accepted by the Program Manager, when it is in the best interest of the Agency. The Program Manager should determine whether or not such nonconformance is a one-time exception or may apply throughout the term of the contract. It is recommended that Agency personnel should discourage the repeated tender of nonconforming goods or services. When considering whether or not to accept nonconforming goods or services, the Program Manager, with assistance from the Contract Specialist, must determine if the nonconformance adversely affects the satisfaction of a basic contract objective. When accepting nonconforming goods or services, the Program Manager must notify the Contract Specialist, and they should decide whether or not the nonconformance merits an applicable adjustment in the contract fees. The Contract Specialist will issue an appropriate modification to the contract reflecting the nonconformance, whether it is a one-time occurrence or for the entire contract period, and any applicable monetary reduction to the contract.

4. Return Items

When the items are shipped incorrectly or damaged in shipping, the APO should obtain a return authorization number, if required by the vendor. Many suppliers require that a return authorization number is obtained prior to their acceptance of a return item. Neglecting to obtain this number when it is required may result in the package being refused and/or no credit being issued to the account.

In some cases there could be a restocking fee (usually a percentage of the purchase price). If the supplier is completely responsible for the error or the problem, the Agency should not have to pay freight, restocking, or any other fee. If the supplier is not fully responsible for the error, then the agency may be required to pay the fee.

Once the supplier has been notified that an item needs to be returned and a return authorization number has been issued, a change order can then be processed and faxed or mailed to the supplier.

5. Processing Invoices

Invoices must be reviewed by both the Program Manager and Contract Specialist prior to payment.

3.5 Project Manager Responsibilities

The Project Manager must review each invoice to ensure that the contractor is only billing for goods or services received by the Agency, and that the goods or services have been accepted.

3.6 Contract Specialist Responsibilities

The Contract Specialist is responsible for reviewing each invoice to ensure that it is correct, that the invoice complies with the terms and conditions of the contract, and that the total payments do not exceed the contract limits.

a. Administrative Fee Report

An administrative fee as defined by DOAS for supply contracts may be added to the apparent winning cost proposal prior to contract award. The Contractor will pay the administrative fees to DOAS no later than 15 days after the end of each calendar quarter. The Contractor will note “administrative fee” and the contract number on a check and remit it to:

Department of Administrative Services
State Purchasing Division
Assistant Commissioner
Sloppy Floyd Building
200 Piedmont Avenue, S.E.
Suite 1308, West Tower
Atlanta, Georgia 30334-9010

At the end of each calendar quarter, the Contractor will submit to the Issuing Officer an Administrative Fee Report. By submission of these reports and corresponding Contractor payments, the Contractor is certifying their correctness. All reports and fee payments are subject to audit by the State. Contractors are also responsible for reporting sales and paying administrative fees resulting from sales made by authorized resellers. DOAS reserves the right to revise collection and reporting requirements in conjunction with implementation of an on-line procurement system.

Failure to comply with these requirements constitutes grounds for declaring the Contractor in default. DOAS has the right to recover re-procurement costs from the Contractor in addition to all outstanding administrative fees. Contractors delinquent in paying administrative fees may be excluded from bidding on future Statewide and Agency Contracts.

3.7 Withholding Payments and Liquidated Damages

The Contract Specialist has the responsibility to protect the interests of the State, and under the appropriate circumstances, it may be necessary to withhold payments from contractors or invoke a liquidated damages clause if included in the contract. The liquidated damages clause may not be invoked as a penalty, punishment or for punitive purposes. The payment must reflect estimated monetary damages. Among the circumstances where it may be necessary to withhold payment are:

1. A material breach of the contract by the contractor.
2. Errors in the invoice.

3. Unsupported or undocumented costs.
4. To remedy previous overpayments on the same contract.
5. Contractor's performance is nonconforming or unacceptable.
6. Invoices for travel that are not in compliance with Georgia's Travel Regulations.

3.8 Change Management

Throughout the term of the contract, it may be necessary to make changes to the contract. These changes can be minor administrative changes, such as a change of address, or they can be substantial changes that affect the price and delivery. The contractor must continue performance of the contract as changed.

1. Administrative Changes

These are changes that are within the scope of the contract and do not affect or alter the rights of the parties. These changes are executed via a unilateral amendment. Examples of administrative changes include:

- a. Changes in billing instructions or address
- b. Corrections of typographical errors not affecting the substance of the contract
- c. Changes as permitted by the specific contract clauses
- d. Changes in Agency personnel assigned to the contract

2. Administrative Change Procedures

The need for an administrative change may be identified by either the Project Manager or the Contract Specialist. If identified by the Project Manager, he/she shall submit a request for a change order to the Contract Specialist. Upon receipt of a request for an administrative change, the Contract Specialist should verify that the rights of the parties are not affected by the change. The Contract Specialist executes the change order amendment and distributes copies to the Project Manager and the contractor. Other departments that are affected by the change should also receive copies of the amendment, for example, Accounts Payable should receive a copy if there is a change to the contractor's remittance address.

3. Substantive Changes

These are contractual changes that affect the rights of the parties. Such changes require bilateral amendments, which must be signed by both parties. Examples of substantive changes include:

- a. Change in the price of the contract
- b. Change in delivery schedule
- c. Change in the quantity
- d. Change of nature of deliverables, for example, the specification
- e. Change of key personnel

- f. Change of any terms and conditions
- g. An extension of the contract not previously contemplated by the contract

4. Substantive Change Procedures

A substantive change may be initiated by the Program Manager, Contract Specialist or the contractor. Upon receipt of a substantive change order request, the Contract Specialist must determine whether the proposed change is within the scope of the contract. This may require input from the Program Manager, and sometimes from a Legal Services Officer.

5. Constructive Changes

If a contractor perceives that work beyond the scope of the contract was ordered by the Agency, the contractor may claim that the contract was “constructively” changed, and the contractor may be entitled to additional compensation for the changes. Generally, a constructive change will require a bilateral amendment. Constructive changes may occur when Agency personnel:

- a. Provide suggestions to a contractor
- b. Provide definitions to general contract terms
- c. Accelerate the delivery schedule
- d. Direct the work to be performed differently
- e. Change the sequencing of the work
- f. Delays accepting or rejecting deliverables
- g. Delays reviewing invoices and approving payment
- h. Interferes with or hinders performance
- i. Add to the scope of work

6. Dispute Resolution

The goal of the resolution process is to resolve all problems before they escalate to the next level. To avoid escalation and assure the agency has not exacerbated potential problems, it is imperative that Agency personnel respond promptly to all contractor inquiries. Initial steps to be taken are:

- a. Identify the problem – Frequently, what may appear to be a problem can be resolved by providing the contractor with information or clarification.
- b. Research facts – The Contract Specialist should obtain all the information regarding the potential problem from all relevant sources, including the project manager and the contractor.
- c. Evaluation – The Contract Specialist should review all the facts in conjunction with the requirements and terms and conditions of the contract. The Contract Specialist should then confer with the Program Manager (and management and budget, if necessary) to determine the appropriate course of action.

- d. Proper dispute resolution is a core skill of successful Program Management. It is essential to identify problems early in the performance period, use effective communication, and formalize the process in writing via cure notice procedure or less formal written procedure.

3.9 Termination

When a contract is terminated, the parties are relieved from all further unperformed obligations in accordance with the agreed terms and conditions. A contract may be terminated for default.

1. Termination for Convenience

A termination for convenience (no-fault termination) allows the Agency to terminate any contract, in whole or in part, at any time at its sole discretion, if it is determined that such termination is in the best interest of the State.

- a. The Agency shall provide the contractor with a written notice specifying the extent (full or partial) of termination and the effective date. The Agency should attempt to provide the contractor with as much notice as possible.
- b. The notice of termination should instruct the contractor to cease all work as of the effective date and to notify all subcontractors of the termination.
- c. The termination notice must be issued as a Notice of Award/Amendment. Following is a sample wording of the termination notice:

“Pursuant to clause No. ___, Termination, this contract is hereby terminated immediately. You are directed to immediately stop all work, terminate subcontracts, and place no further orders.

In accordance with this Notice of Termination, you shall:

- 1) Keep adequate records of your compliance with this notice, including the extent of completion on the date of this Termination;
 - 2) Immediately notify all subcontractors and suppliers, if any, of this Notice of Termination;
 - 3) Notify the (Agency) Contract Specialist, (Name), of any and all matters that may be adversely affected by this Termination; and
 - 4) Take any other action required by the (Agency) Contract Specialist to expedite this Termination.”
- d. The contractor will generally be paid for allowable costs incurred up to the termination. The agency will not be liable for payment to the contractor related to the terminated portion of the work or any work performed or costs incurred after the effective date of the termination.
 - 1) Upon receipt of any invoice from the contractor for work performed prior to the Notice of Termination, the Program Manager and Contract Specialist must thoroughly review the invoice to assure that no excessive costs are included.

- 2) Once the Program Manager and Contract Specialist agree on an amount due the contractor, the Contract Specialist must inform the contractor. If the contractor disagrees with the Agency's determination, the Contract Specialist should attempt to negotiate a settlement. If no agreement can be reached, the Contract Specialist must make a determination of a fair and reasonable price. The Contract Specialist should then issue another Notice of Award/Amendment to reflect the new contract price.

2. Termination for Default

A contract may be terminated for default when the Agency concludes that the contractor fails to perform, make progress, or in any way breached the contract. It should be noted that the Agency is not required to terminate a contract even though the circumstances permit such action. The agency may determine that it is in its best interest to pursue other alternatives, for example, extending the delivery/completion date and allowing the contractor to continue working, or working with the contractor's surety to complete the outstanding work. It must be remembered that termination for default should be used as a last resort and not as punishment. The purpose of a termination for default is essentially to protect the interests of the Agency while obtaining the necessary goods or services.

Factors to consider prior to the termination for default decision:

- a. Has the Agency done everything within its power to assist the contractor in curing any default?
- b. The specific contractual failure(s) and the reasons/excuses for the failures.
- c. The urgency of the need for the contracted supplies or services. The Agency may need to weigh the respective benefits/disadvantages of allowing a delinquent contractor to continue performance and re-soliciting a new contractor.
- d. The availability of the supplies or services from other sources, and the time required to obtain them (compared with the additional time the current contractor needed to complete the contract).
- e. Availability of funds for costs to repurchase in the event such costs cannot be recovered from the delinquent contractor. Under a termination for default, the Agency is within its rights to demand re-procurement costs from the defaulting contractor. Nevertheless, the contractor may not be financially capable of financing the repurchase, or such demand may result in protracted legal action.

3. Excusable Causes

A contract may not be terminated for default when the failure to perform is due to excusable causes. In order to qualify as an excusable cause, the cause must be beyond the control, and without the fault or negligence, of the contractor. Such causes include, but are not limited to: (1) acts of God or of the public enemy, (2) fires, (3) floods, (4) epidemics, (5) strikes, (6) freight embargoes, and (7)

unusually severe weather. If a contractor's failure to perform is due to the default of a subcontractor, in order to qualify as an excusable cause, the default must arise out of causes beyond the control and without the fault or negligence of both the contractor and subcontractor. Even if this requirement is met, the cause will not be excusable if the supplies or services to be provided by the subcontractor could have been obtained from other sources in time to meet the contract delivery schedule.

4. Procedures

Prior to terminating a contract for default a delinquency notice must be sent to the contractor. These notices are generally sent with proof of delivery requested.

a. Cure Notice

When it has been determined that a termination for default is warranted, the Contract Specialist must notify the contractor in writing and allow a reasonable period, usually ten (10) days, to correct or cure the deficiency or violation. This notice is commonly known as a "Cure Notice." The format for a Cure Notice may be as follows:

"You are notified that the [Agency] considers [specify failure(s)] a condition that is endangering performance of the contract. Therefore, unless this condition is cured within ten (10) days after receipt of this notice, the [Agency] may terminate for default under the terms and conditions of the Termination clause of this contract."

b. Show Cause Notice

If the time remaining in the contract delivery schedule is not sufficient to permit a realistic "cure" period of ten (10) days or more, a Show Cause Notice can be used. It may also be used as a final warning to the contractor if the contractor has failed to adequately respond to a Cure Notice.

The format for a Show Cause may be as follows:

"Since you have failed to perform Contract No. _____ within the time required by its terms [or cure the conditions endangering performance under Contract No. _____ as described to you in the (Agency's) letter of _____], the [Agency] is considering terminating the contract under the provisions for default of this contract. Pending a final decision in this matter, it will be necessary to determine whether your failure to perform arose from causes beyond your control and without fault or negligence on your part. Accordingly, you are given the opportunity to present, in writing, any facts bearing on the question to [name and address of Contract Specialist] within ten (10) days after receipt of this notice. Your failure to present any excuses within this time may be considered as an admission that none exist.

Any assistance given to you on this contract or any acceptance by the [Agency] of delinquent goods or services will be solely for the purpose of mitigating damages, and it is not the intention of the [Agency] to condone

any delinquency or to waive any rights the [Agency] has under the contract.”

c. Notice of Termination

If the contractor fails to cure the situation or provide a satisfactory explanation as requested in the Show Cause Notice, the contract may be terminated. The Notice of Termination should contain the following:

- 1) The contract number and date of contract
- 2) The effective date of the termination
- 3) Reference to the clause under which the contract is being terminated
- 4) A concise, accurate statement of the facts justifying the termination
- 5) A statement that the supplies or services being terminated may be re-procured and that the contractor will be held liable for any excess repurchasing costs.

Section 4: Contract Closeout

The purpose of the closeout process is to verify that both parties to the contract have fulfilled their contractual obligations and that there are no responsibilities remaining.

A contract is completed when all goods or services have been received and accepted; all reports have been delivered and accepted; all administrative actions have been accomplished; all agency-furnished equipment and material has been returned; and final payment has been made to the contractor.

4.1 The Closeout Process

To begin the closeout process, the Contract Specialist should first determine that the contractor has satisfactorily performed all required contractual obligations. A contract is ready for closeout when:

1. All deliverables including reports have been delivered and accepted by the Agency.
2. Final payment has been made.
3. All Agency property (if applicable) has been returned.
4. Approval from the Program Manager (if applicable) has been received.
5. All issues have been resolved.

4.2 Responsibilities

The Contract Specialist is primarily responsible for contract closeout and must:

1. Determine whether all payments to the contractor have been made.
2. Determine whether all administrative actions have been completed.

3. Ensure that all issues have been resolved.
4. Ensure that the official contract file contains all necessary documentation. The Program Manager must
 - a. Determine whether all deliverables, including reports, have been delivered and accepted.
 - b. Determine whether all Agency property, if any, has been returned.
 - c. File a contractor performance evaluation with the Contract Specialist.
 - d. Provide the Contract Specialist with the appropriate material from the Program Manager's file for inclusion in the official contract file.

Section 5: Vendor/Contractor Performance

5.1 Contractor Performance

The APO shall prepare a contract assessment form on every contract at the end of the contract. This form must be completed and submitted to the SPD prior to the extension or renewal of the contract. The APO should use information contained in contractor's performance evaluation form to prepare the contract assessment. (See Contract Assessment Form.)

5.2 Complaints against Vendor/Contractors

A contract is awarded with the expectation that both the contractor and the State of Georgia have entered into the agreement in good faith, and that both parties will perform their respective duties and obligations in accordance with the contract specifications, terms and conditions and at the quoted price. Occasionally, situations arise when the contractor does not perform and the Agency may suffer damages as a result. Typical non-performance issues include, but are not limited to:

1. Missing a scheduled delivery date and time
2. Providing items that are not a part of the contract
3. Providing inferior merchandise
4. Unauthorized substitutions
5. Alteration of the contract pricing
6. Damaged shipments
7. Unauthorized use of subcontractors unauthorized assignment of the contract to another contractor
8. Inadequate staffing levels
9. Unqualified workers
10. Late or failed delivery

11. Late worker arrivals or no-shows

If the APO has a complaint against a vendor or a contractor, the APO should make an effort to resolve the problem with the contractor informally.

The state has several remedies available to resolve non-performance issues with the contractor. The agency should refer to the Contract Terms and Conditions to view these remedies. The SPD, however, may not usually exercise these remedies until/unless the contractor has been provided with an opportunity to cure the deficiency. When a default occurs, the Agency should first review the contract to confirm that the issue is a part of the contract. If the issue is not covered by the contract, the state cannot expect the contractor to perform outside the agreement. If the issue is a part of the contract, the Agency must then contact the contractor, discuss the reasons surrounding the default and establish a date when the contractor will resolve the non-performance issue. If the Agency's efforts fail to resolve the issues, the Agency should then notify DOAS. The mechanism to notify DOAS is the Complaint to Vendor (CTV) form.

5.3 Failure to Satisfactorily Respond to the Complaint

In the event that a contractor fails to respond to the complaint, the APO shall take this factor into consideration in determining the contractor's eligibility for future contracts. The seriousness of the complaint is determined by the State Purchasing Division and recorded in the contractor's history file. Repeated complaints could result in suspension and/or debarment.

In the event of default by the contractor for failure to deliver, failure to meet specifications, or for any other reason, the State of Georgia may, in addition to any other remedies which it may have by law, in equity, or which may be provided for in its contract, procure the subject items or services from other sources and hold the contractor responsible for any additional cost which is incurred as a result. Default on contracts may result in suspension and/or debarment.

5.4 The Complaint to Vendor (CTV)

The CTV shall be used by agencies to notify the SPD of non-performance by a contractor under a state term contract. The SPD utilizes the Complaint to Vendor form to provide a standard means for all State agencies to report contractor discrepancies or deficiencies on the part of the vendor or the products furnished which do not meet the standards and specifications of the purchase order. The form further provides a means by which the SPD may obtain factual reports relative to the performance of a vendor to furnish supplies, equipment, material and/or services to the State. A copy of each report issued to a vendor shall be mailed to the SPD. The CTV may be used by the State in evaluation of the contractor on future bids. If the SPD determines that past performance of the contractor is unacceptable, the SPD may disqualify the contractor and deny future awards. Therefore, it is very important that the Agency provide complete and accurate details.

Upon receipt at the SPD, the CTV will be logged in by the SPD Vendor Certification Officer (VCO). The APO shall notify the SPD if the complaint has been resolved.

Section 6: Contract Clauses

6.1 Contract Clauses

1. The SPDAC may permit or require the inclusion of clauses providing for appropriate remedies, adjustments in prices, time of performance, or other contract provisions.
2. The SPDAC may modify clauses for inclusion in any particular state contract, provided that any notice of any material variations is stated in the solicitation.
3. All contract clauses shall be consistent with the provisions of this Article and the regulations issued pursuant to this part.
4. See the Appendix for sample contract clauses that may be added to the Standard Agency Agreement. The APO should contact the SPD if developing a contract for an RFP.

6.2 Standard Terms and Conditions

State agencies that have been delegated procurement authority by the SPDAC shall use in contracts for commodities and services standard terms and conditions clauses that have been approved by the SPDAC.

Chapter 7: Cost Principles

Section 1: ---- Reserved ----

Chapter 8: Fleet Management

Section 1: ---- Reserved ----

Chapter 9: Legal and Contractual Remedies

Section 1: Formal Protest and Informal Complaint Process

1.1 Filing for Formal Protests for Solicitations \$100,000.00 or more

1. Protests concerning a Notice of Intent to Award must be filed no later than ten (10) calendar days following the issuance of a Notice of Intent to Award.
2. Protests pertaining to events or facts arising during the solicitation process, including but not limited to specifications, must be filed no later than two (2) business days prior to the public bid closing or proposal due date.
3. Vendors who do not submit a timely proposal may not protest the contract award.
4. A protest is considered to be properly filed when it is in writing and is signed by a company officer authorized to sign contracts on behalf of the bidder/offeror and is received by the State Purchasing Division Assistant Commissioner. Protests sent by mail, fax or email will be accepted.
5. If a bidder/offeror fails to file a protest by the time required, the State may, at its discretion, deem the failure to file as a waiver with prejudice of any grounds the bidder/offeror may have for a protest.
6. The State may, at its discretion, deem issues not raised in the initial protest as waived with prejudice by the Protestor.

1.2 Form of Protest

At a minimum, the protest must include the following:

1. The name and address of the Protestor
2. Appropriate identification of the solicitation, and, if a contract has been awarded, its number
3. A statement of reasons for the protest
4. Supporting exhibits, evidence, or documents to substantiate any claims unless not available within the filing time, in which case the expected availability date shall be indicated

1.3 Stay of Procurement During Formal Protests for Solicitations \$100,000.00 or more

1. When a protest pertaining to events or facts arising during the solicitation process, such as protests concerning specifications and evaluation criteria, has been timely filed at least two (2) business days prior to the public bid closing or proposal deadline date, no award of a contract shall be made until a final decision has been issued, unless the State Purchasing Division Assistant Commissioner makes a

written determination, after consulting with the user agency, that the award of the contract without delay is necessary to protect the interests of the State.

2. When a protest has been filed in a timely fashion within ten (10) calendar days following the issuance of a Notice of Intent to Award, the SPD shall consult with the user agency to determine if performance of the contract without delay is necessary to protect the interests of the State. If it is determined that it is necessary to proceed with the issuance of the contract and contract performance without delay, the bidder/offeror with this contingent contract may proceed with performance and receive payment for work performed in strict accordance with the terms of the contract; however, such bidder/offeror shall not be entitled to reimbursement for any capital outlay costs, or other up front expenditures incurred in performing the contract. The provisions of the paragraph are not applicable to a protest pertaining to events or facts arising during the solicitation process.

1.4 Decision by State Purchasing Division Assistant Commissioner

The State Purchasing Division Assistant Commissioner shall make a decision on the protest as expeditiously as possible after receiving all relevant requested information. If the protest is sustained, the available remedies include:

1. If a protest is sustained prior to the bid closing or proposal due date, the remedy is modification of the solicitation document, including but not limited to specifications, terms and conditions and evaluation criteria; and extension of the opening date if appropriate.
2. If a protest is sustained after the Notice of Intent to Award, the remedies include, but are not limited to, suspension or cancellation of the award, re-evaluation and re-award, or re-solicitation with appropriate changes to the new solicitation document.

1.5 Costs

In no event shall a Protestor be entitled to recover any costs incurred in connection with the solicitation, including bid/proposal preparation costs or attorneys' fees.

1.6 Request for Formal Review and Time for Filing

If a Protestor or user agency disagrees with the decision of the State Purchasing Division Assistant Commissioner, the Protestor or user agency must request a formal review of the decision by the Commissioner of the Department of Administrative Services within three (3) business days of the date of the State Purchasing Division Assistant Commissioner's decision. The request for formal review shall contain a detailed statement of the factual and legal grounds upon which reversal or modification is deemed warranted, specifying any errors in the State Purchasing Division Assistant Commissioner's decision. The Commissioner of the Department of Administrative Services may, in his or her sole discretion, allow the Protestor to make an oral presentation, and may solicit whatever other information he or she deems

appropriate. However, issues not raised in the initial protest may at the discretion of the Commissioner be deemed waived with prejudice by the Protestor.

1.7 Final Decision

The decision of the Commissioner of the Department of Administrative Services is final.

1.8 Exempt Entities/Categories Protest Process

There are certain entities and specific categories of purchasing which fall under the exempt category as stated in O.C.G.A. §50-5-58 and Chapter 2, Section 3 of this manual, which are exempt from State Purchasing requirements. Vendors objecting to solicitations by these entities or solicitation concerning the specific exempt categories must address their complaints to the entity or state agency responsible for the solicitation. All other protests must be filed according to the rules within this section of the manual.

1.9 Informal Complaint Process for Solicitations over \$5,000.00 and less than \$100,000.00

Purchases involving expenditures of \$5,000.00 or more, but less than \$100,000.00 may be made by solicitation of informal written bids/proposals whenever practicable. There is no formal public opening, reading of bids or issuance of a Notice of Intent to Award required. After bids/proposals are evaluated, a contract will be issued. A bidder/offeror objecting to an informal written solicitation must send their complaint in writing to the State Purchasing Division Assistant Commissioner within ten (10) calendar days following the issuance of a contract. A written complaint must be signed by a company officer and sent by mail, fax or email. The informal complaint will be forwarded to the agency that handled the informal solicitation and the agency will notify State Purchasing Division Assistant Commissioner of the resolution of the informal complaint.

Section 2: Suspension or Debarment

2.1 Causes for Debarment or Suspension

The SPDAC may debar a vendor/contractor for any of the causes listed below:

1. Violation of Contract provisions, as set forth below, of a character which is regarded to be so serious as to justify debarment action:
 - a. Deliberate failure without good cause to perform in accordance with the specifications or within the time limit provided in the contract;
 - b. A recent record of failure to perform or of unsatisfactory performance in accordance with the terms of one or more contracts;

2. Conviction under state or federal statutes of embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, or other offense indicating a lack of business integrity or business honesty which currently, seriously, and directly affects responsibility as a state vendor;
3. Conviction under state or federal antitrust statutes arising out of the submission of bids or proposal;
4. Conviction for commission of a criminal offense as an incident to obtaining or attempting to obtain a public or private contract or subcontract, or in the performance in the contract or subcontract;
5. Any other cause so serious and compelling as to affect responsibility as a state vendor, including debarment by another government entity; and
6. Any violations of the provisions of O.C.G.A. Sections 45-10-20 through O.C.G.A. Sections 45-10-28 which govern Conflicts of Interest.

2.2 Responsibilities of the APO

The APO shall submit a written request along with supporting documentation to the State Purchasing Division Assistant Commissioner requesting debarment action against a vendor/contractor where the causes of debarment stated above are met. The SPDAC will review the documentation and the stated reasons for the requested debarment and issue a written determination to the APO on whether suspension or debarment is appropriate. The SPDAC may suspend the vendor/contractor pending a determination of the debarment. The SPDAC will not take suspension or debarment action against a vendor/contractor where the basis of the agency's request appears to be arbitrary or capricious, frivolous or without merit.

2.3 Suspension Procedures

1. Suspension procedures may be initiated after consultation with the SPD purchasing agent(s) or APO(s), the Office of Legal Services, and where practicable, the vendor/contractor who is to be suspended, and upon written determination by the State Purchasing Division Assistant Commissioner that probable cause exists for debarment as hereinafter set forth, a vendor shall be suspended. A notice of suspension including a copy of such determination shall be sent to the suspended vendor/contractor. The notice shall state that:
 - a. The suspension is for the period it takes to complete an investigation into possible debarment including any appeal of a debarment decision but not for a period in excess of one hundred-twenty (120) days.
 - b. Bids or proposals will not be solicited from the suspended person, and, if they are received, they will not be considered during the period of suspension.
2. If a hearing has not been held, the suspended person may request a hearing in accordance with the procedures for suspension and debarment of vendors set forth in the vendor's manual.

2.4 Effect of Decision to Suspend

1. A vendor is suspended upon issuance of the notice of suspension. The suspension shall remain in effect during any appeals. The suspension may be ended by the officer who issued the notice of suspension, by the Commissioner of the Department of Administrative Services, or by a court of law, but otherwise shall only be ended when the suspension has been in effect for one hundred-twenty (120) days or a debarment decision has taken effect.
2. Written notice of the proposed debarment action shall be sent by certified mail, return receipt requested, to the vendor/contractor. This notice shall:
 - a. State that debarment is being considered;
 - b. Set forth the reasons for the action;
 - c. State that, if the vendor so requests, a hearing will be held, provided such request is received by the SPDAC within ten (10) days after the vendor receives notice of the proposed action;
 - d. State that the vendor may be represented by counsel.

2.5 Request for Hearing

A vendor that has been notified of a suspension/proposed debarment action may request in writing that a hearing be held. Such request must be received by the SPDAC within ten (10) days of receipt of notice of the proposed action. If no request is received within the ten (10) day period, a final determination may be made as set forth hereinafter.

2.6 Hearing Procedures

The APO may be called upon as a witness and be requested to provide information pertinent to the suspension or proposed debarment.

1. Hearings shall be as informal as may be reasonable and appropriate under the circumstances and in accordance with applicable due process requirements. The weight to be attached to evidence presented in any particular form will be within the discretion of the hearing officer. The hearing officer may require evidence in addition to that offered by the parties.
2. The hearing may be recorded but need not be transcribed except at the request and expense of the vendor. A record of those present, identification of any written evidence, copies of all written statements, and a summary of the hearing shall be sufficient record.
3. Opening statements may be made unless a party waives this right.

2.7 Determination of Hearing Officer - Final Decision

The hearing officer shall prepare a written determination and shall send copies thereof to the Commissioner of the Department of Administrative Services and to the vendor.

The vendor shall have ten (10) days in which to file comments upon the hearing officer's determination. The Commissioner of the Department of Administrative Services may thereafter, in his or her sole discretion, request oral argument. The Commissioner of the Department of Administrative Services shall issue a final decision. Both the hearing officer's determination and the final decision shall recite the evidence relied upon. When debarment is recommended or ordered, the length of debarment (not to exceed five years), the reasons for such action, and to what extent affiliates are affected shall be set forth. In addition, the final determination shall inform the debarred person of his or her rights to judicial review.

A debarment decision shall take effect upon issuance and receipt by the vendor. After the debarment decision takes effect, the vendor shall remain debarred until the debarment period specified in the decision expires.

Section 3: Solicitation or Awards in Violation of the Law

Any official of an agency or institution who willfully purchases or causes to be purchased any materials, supplies or equipment contrary to the rules and regulations shall be personally liable for the cost thereof. If paid for from State funds, the amount may be recovered in the name of the State.

Section 4: Purchase of Beef

1. It shall be unlawful for the state; any branch, department, agency, board, or commission of the state; any county, municipality, board of education, or other political subdivision; or any officer, agent, or employee of any of the foregoing to purchase or authorize the purchase of any beef other than beef raised and produced within the United States when the purchase is to be made with governmental funds. The provision of this act shall not apply to canned meat which is not available from a source within the United States and which is not processed in the United States.
2. Any person who violates subsection (a) of this Code section shall be guilty of a misdemeanor.

Section 5: Taxes

The State is prohibited from paying or reimbursing a vendor for certain taxes, which may be lawfully imposed on the vendor or on the property being provided. The State will, however, pay any taxes, which may be lawfully imposed on the vendor or on the property being provided and for which the State is legally obligated. The State will also pay any taxes, which may be lawfully imposed on it.

5.1 State Taxes from which State Agencies are Exempt

1. Sales and Use Tax
2. Local Option Sales Tax

3. Marta Tax (Rapid Transit Tax)
4. Special Purpose Sales Tax
5. Hotel/Motel Excise Tax (with use of exemption form)

5.2 State Taxes from which State Agencies are not Exempt

1. Motor Fuel Tax (except aviation fuel is not taxed; aviation gasoline is not exempt)
2. 2nd Motor Fuel Tax (except aviation fuel is exempt; aviation gasoline is not exempt)
3. GUST (Georgia Underground Storage Tank Act)
4. State Scrap Tire Fee (new tires only)
5. Hotel/Motel Sales Tax (exempt when bill paid directly by state agency)

5.3 Federal Excise Taxes from which State Agencies are Exempt

1. Communications (Telephone and Telegraph)
2. Heavy Trucks, Trailers and Tractors
3. Tires
4. Gasoline (including Leaking Underground Storage Tanks [LUST] tax)
5. Gasohol
6. Diesel Motor Fuels
7. Firearms
8. Ammunition
9. Sport Fishing Equipment
10. Non-commercial Aviation Fuels
11. Gasoline
12. Fuels other than gasoline including jet fuel (Airport and airway trust fund tax)

5.4 Federal Excise Taxes from which State Agencies are not Exempt

1. Transportation of Persons by Air
2. Transportation of Property by Air
3. Gas Guzzler (except for Law Enforcement Agencies)
4. Certain Ozone Depleting Chemicals Tax
5. Taxes on Coal
6. Tax on Vaccines
7. Superfund Taxes on Petroleum Products

Section 6: Interest

An opinion issued by the Attorney General in 1979 indicated that it might not be "appropriate" for state agencies to pay interest charges associated with contracts without specific approval from the Legislature.

The SPD sought and obtained authorization to pay interest on installment purchase contracts in the 1979 Legislative Session. This authorization does not extend to interest payments on outstanding principal balances associated with contracts other than conditional sales contracts.

Chapter 10: Intergovernmental Relations

Section 1: ---- Reserved ----

Chapter 11: Assistance to Small and Minority Owned Businesses

Section 1: Minority Business Participation

It is the policy of the State of Georgia that small businesses and minority businesses have a fair and equal opportunity to participate in the State purchasing process, pursuant to the Governor's Executive Order issued on July 1, 1999.

The Executive Order states that "A[all] state agencies, authorities, commissions and institutions shall make an immediate concerted effort to increase the level of minority business participation in the state contracting process by increasing bid opportunities extended to the minority community and by providing more direct assistance to minority vendors on how the state contracting process works.

1. All bid documents shall include statements encouraging minority business participation and statements encouraging majority businesses to subcontract with minority businesses.
2. All bid documents shall include notification of the income tax credit that is available to any business that subcontracts with a minority-owned business.
3. All state agencies, authorities, commissions and institutions shall make special efforts to publicize and advertise bid opportunities to the minority business community including the use of minority-oriented media, and that notification be given to nonprofit organizations, publications and special interest groups whose primary membership includes or targets minority contractors.
4. SPD policy requires that the APO solicit a minimum number of minority firms by dollar amount. (See Article III, Section 7, Section A "Minimum Bid Policy".)
5. All state agencies, authorities, commissions and institutions shall appoint a designee to act as liaison between their organization and minority vendors to provide one-on-one assistance and ensure that bid information is widely and appropriately disseminated; the name, address and telephone number of this individual is to be forwarded immediately to the Governor's Office and posted on all bid documents.
6. The Agency's Minority Coordinator is responsible for the timely submission at the end of each calendar quarter of a Minority Business Utilization Report which includes the dollar amount awarded to minority vendors and minority businesses during the quarter. The report shall be submitted to the DOAS Vendor Relations Office.
7. DOAS will review information contained in the report when it conducts Purchasing Process Reviews.

Section 2: Georgia Income Tax Incentive

1. In an effort to assist minority-owned businesses, the State of Georgia has a law that provides for an income tax adjustment on the state tax return of any company that subcontracts with a Certified minority-owned firm to furnish goods, property or services to the State of Georgia. This includes, but is not restricted to, the construction of any building or structure for the state. Beginning with Tax Year 1985, a corporation, partnership or individual is authorized to subtract from federal taxable income or federal adjusted gross income, ten (10) percent of the amount of qualified payments to Certified minority subcontractors when computing Georgia taxable income. [O.C.G.A. 48-7-38] The Georgia Department of Revenue manages the Tax Incentive Program.
2. A payment to a certified minority subcontractor is a qualified payment if: (1) the payment is for goods, property or services furnished by the minority subcontractor to the taxpayer and delivered by the taxpayer to the State in furtherance of a State contract to which taxpayer is a party, and the payment does not exceed the value of the goods, property or service to the taxpayer; (2) the payment is made during the taxable year for which the subtraction from the federal taxable income or federal adjusted gross income is claimed; or (3) the payment is made to a subcontractor who, at the time of the payment, is Certified as a minority subcontractor by the DOAS Vendor Relations. (Minority is defined as African American, Pacific Islander, Asian American, Hispanic/Latino or Native American). The total amount that may be subtracted from federal taxable income or federal adjusted gross income of any taxpayer in computing Georgia taxable income shall be limited to \$100,000.00 per taxable year.

To be a Certified minority subcontractor, a company must meet the definition of a minority-owned business and meet the following criteria: (1) be organized in the State of Georgia; or (2) report income from your business for Georgia income tax purposes; or (3) if minority stockholders, report earnings for Georgia income tax purposes.

Chapter 12: Ethics in Public Procurement

Section 1: ---- Reserved ----

Glossary

Section 1: Commonly Used Acronyms

ACF	Agency Contract - Fixed	IT	Information Technology
ACO	Agency Contract - Open	ITB/IFB	Invitation to Bid/Invitation for Bid (See RFQ)
APO	Agency Procurement Officer(s)	PAM	Purchasing Acquisition Manager
CAP	Contract Administration Plan	NIGP	National Institute of Governmental Purchasing
CDBG	Community Development Block Grants	OFM	Office of Fleet Management
CMBE	Certified Minority Business Enterprise	O.C.G.A.	Official Code of Georgia Annotated
CMSC	Certified Minority Subcontractor	PO	Purchase Order/Purchase Orders
CO	Contracting Officer	PA	Purchasing Agent
CTV	Complaint to Vendor	P-Card	Procurement Card
DOAS	Department of Administrative Services	PR	Purchase Requisition
DPA	Delegated Purchasing Authority	RFP	Request for Proposal(s)
EDP	Electronic Data Processing	RFQ	Request for Quote(s)
EPA	Environmental Protection Agency	SAC	State Agency Contract
FOB	Free on Board	SPDAC	State Purchasing Division Assistant Commissioner
GPM	Georgia Procurement Manual	SPD	State Purchasing Division
GSBC	Governor's Small Business Center	SWC	Statewide Contract(s)
GTA	Georgia Technology Authority	VCO	Vendor Certification Officer
IPA	Installment Purchase Agreement	VR	Vendor Relations

Section 2: Definitions

Agency	means all departments, institutions, universities, authorities, commissions and boards, or other units of the State.
Approving Official	means an individual who has under his/her purview a number of cardholders.
Architectural and Engineering Services	<p>means</p> <ul style="list-style-type: none">- Professional services of an architectural or engineering nature, as defined by State law, if applicable, which are required to be performed or approved by a person licensed, registered, or certified to provide such services.- Professional services of an architectural or engineering nature performed by contract that are associated with research, planning, development, design, construction, alteration, or repair of real property.- Such other professional services of an architectural or engineering nature, or incidental services, which members of the architectural and engineering professions (and individuals in their employ) may logically or justifiably perform, including: studies, investigations, surveying, mapping, tests, evaluations, consultations, comprehensive, planning, program management, conceptual designs, plans and specifications.
Best and Final Offer	means the final proposal submitted after negotiations are completed that contains the vendor's most favorable terms for price and services or products to be delivered.
Bid Bond	means an insurance agreement, accompanied by a monetary commitment, by which a third party (the surety) accepts liability and guarantees that the bidder will not withdraw the bid. The bidder will furnish bonds as required, and if the contract is awarded to the bonded (insured) bidder, the bidder will accept the contract as bid, or else the surety will pay a specific amount.
Business	means any corporation, partnership, individual, sole proprietorship, joint stock company, joint venture, or any other private legal entity.
Breach of Contract	means failure to fulfill a contract, wholly or in part, without legal excuse.
Cardholder	means any individual designated by an agency to be issued a card.
Card Controls	means controls coded to each card by the Purchasing Card Program Coordinator (PPC) as required by the issuing agency. Controls available as follows:

	<ul style="list-style-type: none"> - Number of transactions per day/ month/ cycle - Dollar limit per transaction/ day/ month/ cycle - SIC/MCC/MCCG codes blocked - SIC/MCC/MCCG codes allowed (only)
Chief Procurement Officer	means the Commissioner who is the head of the central procurement office of the State. (See also State Purchasing Division Assistant Commissioner.)
Competition	means the effort of two or more vendors to secure the business of a purchaser by the offer of the most favorable terms as to price, quality, promptness of delivery, and/or service.
Competitive Negotiation	means a method for acquiring goods, services, and construction for public use in which discussions or negotiations may be conducted with responsible offerors who submit proposals in the competitive range.
Contract	means a legally binding promise, enforceable by law; an agreement between parties, usually exchanging goods or services for money or other consideration; all types of agreements, regardless of what they may be called, for the procurement or disposal of supplies, services, or construction.
Contractor	means any individual or business having a contract with a governmental body.
Cost	means actual expenses incurred in delivering a product, service, or construction.
Construction Contract	means the purchase of a requirement, which will be met through the building, or construction of something related to real property, usually regarded as “public works”. A special kind of purchase contract involving the process of building, altering, repairing, improving, or demolishing any public structure or building, or other public improvement of any kind to any public real property. This does not include routine repair, operation, or maintenance of existing real property.
Construction	means the process of building, altering, repairing, improving or demolishing any public infrastructure facility, including any public structure, public building, or other public improvements of any kind to real property. It does not include the routine operation, routine repair, or routine maintenance of any existing public infrastructure facility, including structures, buildings, or real property.
Contract Administration	means oversight of all relationships between agencies of the State of Georgia and the contractor relating to contractor performance. This includes performance monitoring, problem or dispute resolution, and closeout.
Contracting Officer	means a person with the authority to enter into, administer, and/or terminate contracts, and make related determinations and findings.

Contract Modification	means any written alteration in specifications, delivery point, rate of delivery, period of performance, price, quantity, or other provision of the contract, accomplished by mutual action of the parties to the contract.
Contract Specialist	means a person who monitors post award contracts and takes appropriate actions to ensure satisfactory contract progress, to assure compliance with the terms and conditions of the contract, negotiate contract modifications, and to identify and resolve problems that threaten contract performance.
Day(s)	unless otherwise stated, "day(s)" means calendar day(s).
Debarment	means the exclusion of a person or company from participating in a procurement activity for an extended period of time, as specified by law, because of previous illegal or irresponsible action.
Default	means a failure by a party of a contract to comply with contractual requirements.
Delegation of Authority	means the conferring of authority, by someone who has it, to another person, in order to accomplish a task.
Design Specification	means a specification establishing the characteristics an item must possess, including sufficient detail to show how it is to be manufactured.
Designee	means a duly authorized representative of a person holding a superior position.
Electronic	means electrical, digital, magnetic, optical, electromagnetic, or any other similar technology.
Employee	means an individual drawing a salary from a governmental body, whether elected or not, and any compensated individual performing personal services for any governmental body.
End User	means the agency requesting the procurement.
Electronic Contact	means the individual designated by an agency or institution to receive the electronic billing and reporting transmissions.
Escalation Clause	means a contract provision which permits the adjustment of contract prices by a given amount or percentage if certain specified contingencies occur, such as changes in the contractor's raw material or labor costs.
Free on Board Destination	means title changes hands from vendor to purchaser at the destination of the shipment; vendor owns goods in transit and files any claims. Payment of freight charges is determined by contract terms.
Governmental Body	means any department, commission, council, board, bureau, committee, institution, legislative body, agency, government, corporation, or other establishment or official of the executive, legislative, or judicial branch of the jurisdiction.

Inter-Governmental	means between state agencies; purchasing transactions between individual State Agencies; purchase of an item by one State Agency from another State Agency and other governmental sources.
Issuing Officer	means the Purchasing Agent identified in the solicitation document as the Issuing Officer or an APO authorized to sign Purchase Orders for user agencies.
May	denotes the permissive.
Minority	means an individual who is a member of a race which comprises less than 50 percent of the total population of the State of Georgia.
Minority-owned business	means a business that is owned and controlled by one or more members of a minority race; or a partnership of which at least 51 percent (majority of interest) is owned and controlled by one or more members of a minority race; or a public corporation of which at least 51 percent of all of the common stock is owned by one or more members of a minority race.
Performance Bond	means a bond, executed subsequent to award by a successful bidder, to protect the buyer from loss due to the bidder's inability to complete the contract as agreed; secures the fulfillment of all contract requirements.
Performance Specification	means a specification setting forth the capabilities and performance characteristics the article must satisfy.
Person	means any business, individual, union, committee, club, other organization, or group of individuals.
Political Subdivision	means a subdivision of a state which has been delegated certain functions of local government. May include counties, cities, towns, villages, hamlets, boroughs, or parishes.
Procurement	means buying, purchasing, renting, leasing, or otherwise acquiring any supplies, services or construction. It also includes all functions that pertain to the obtaining of any supply, service, or construction, including description of requirements, selection and solicitation of sources, preparation and award of contract, and all phases of contract administration.
Project Manager	means a person who manages contractor activity, receives program status reports, provides technical guidance to the contractor and is responsible for ensuring the terms and conditions of the contract are met.
Protest	means a written objection by an interested party to an RFQ or RFP solicitation, or to a proposed award or award of a contract, with the intention of receiving a remedial result.
Protestor	means an actual bidder/offeror who is aggrieved in connection with a contract award and who files a protest in accordance with this section.

Public Bid Closing	means the process of opening and reading bids at the time and place specified in the RFQ or RFP and in the presence of anyone who wishes to attend.
Public Notice	means an announcement, for example, by newspaper of general circulation or Internet, in reasonable time prior to the date and time of the event, to allow those interested to participate.
Purchasing Agency	means any governmental body other than the Chief Procurement Officer, who is authorized by this Code or its implementing regulations, or by way of delegation from the Chief Procurement Officer, to enter into contracts.
Purchasing Card Program Coordinator (PPC)	means an individual designated by the ordering agency or institution to perform contract administration within the limits of delegated authority. This individual shall have overall responsibility for the Purchasing Card Program within his/her agency or institution and may determine who the approving officials and cardholders shall be.
Reciprocity	means a preference applied against a bidder whose home jurisdiction has preferences.
Regulation	means a governmental body's statement, having general or particular applicability and future effect, designed to implement, interpret, or prescribe law or policy, or describing organization, procedure, or practice requirements.
Restrictive Specifications	means specifications that unnecessarily limit competition by eliminating items capable of satisfactorily meeting actual needs, often by requiring features which exceed the minimum acceptable characteristics required for satisfactory performance.
Scheduled Buy	means the periodic grouped and combined bidding and one-time purchase of an item, for all requirements and users, for that period, with definite deliveries and quantities specified.
Services	means the furnishing of labor, time, or effort by a contractor, not involving the delivery of a specific end product other than reports which are merely incidental to the required performance. This includes, but is not limited to, consulting, personal, professional, technical, and purchase-of-client services. This term shall not include employment agreements or collective bargaining agreements.
Settlement Contact	means the individual designated by an agency or institution to receive the official invoice and, in some instances, make payments against the official invoice.
Shall	denotes the imperative.
Signature	means a manual or electronic identifier or the electronic result of an authentication technique to or logically associated with a record that is intended by the person using it to have the same force and effect as a manual signature.

Site Inspection	means a visit to the actual location where the contract is to be performed by potential bidders or offerors to become familiar with site conditions.
Small Business	means a business, which is independently owned and operated. In addition, such business must have either fewer than 100 employees or less than \$1 million in gross receipts per year.
Specification	means a description of the physical or functional characteristics, or a description of the nature of a supply, service, or construction item. It may include a description of any requirement for inspecting, testing, or preparing a supply, service, or construction item for delivery. The SPD shall monitor the use of specifications for supplies, services, and construction required by the State.
Standard Industrial Code (SIC)	means a standardized code assigned to products or services based on their commodity types.
State Purchasing Division Assistant Commissioner	means the DOAS Commissioner's designee.
Substitute	means an item delivered by a vendor, in substitution of the specified and contracted for item on order, without permission or authorization.
Supplies	means all property, including but not limited to equipment, materials, printing, insurance, and leases of real property, excluding land or a permanent interest in land.
Using Agency	means any governmental body of Georgia, which utilizes any supplies, services, or construction procured in accordance with jurisdictional regulations.
Validation	means the specific dollar amount a requisition has been validated for, to limit the purchase award, based on specific funds availability in an agency budget.
Vendor	means one who sells goods or services; a supplier.

Appendix

Section 1: Standard Forms

Note: Any new forms that are referenced in the GPM will now be posted on the State Purchasing, Department of Administrative Service's Website under Standard Purchasing Forms at

http://statepurchasing.doas.georgia.gov/00/channel_title/0,2094,35226973_35319246,00.html and not included in the GPM Appendix. The following new SPD Standard forms will be posted on the website : Administrative Fee Report effective June 8, 2006; Notice of Intent to Award, Notice of Award and Notice of Award Amendment effective July 1, 2006.

The following forms are included in this manual:

Form	Appendix Page
BID CONTINUATION SHEET	A-2
BIDDER'S RESPONSE FORM	A-3
COMPLAINT TO VENDOR	A-5
CONTRACT ASSESSMENT REPORT	A-6
DESIGNATION OF AGENCY PROCUREMENT OFFICER	A-7
EMERGENCY JUSTIFICATION.....	A-8
EXCISE TAX EXEMPTION CERTIFICATE	A-9
NOTICE OF AWARD/AMENDMENT	A-10
PURCHASE ORDER.....	A-11
PURCHASE REQUISITION	A-12
REQUEST FOR QUOTE.....	A-13
REQUEST TO EXCEED AGENCY DELEGATED PURCHASING AUTHORITY (DPA)	A-14
REQUEST TO INCREASE DELEGATED PURCHASING AUTHORITY (DPA).....	A-15
SOLE BRAND.....	A-21
SOLE SOURCE.....	A-23

BID CONTINUATION SHEET

Agency:				Attention Vendor: Please be sure to write or type your company name below before returning bid. Company Name: _____
Requisition Number:				
Page Number:		of:		

[illegible]



BIDDER'S RESPONSE FORM

Request for Quote Number:	
Requisition Number:	

SCOPE: This specification covers a(n) _____.

VENDOR INFORMATION: The _____ offered shall be equal with the detailed requirements listed below (unless otherwise noted). Bidders are to indicate exactly what they are offering in each one of the following blanks in the "Bidder's Response" Column. If this is not done or it is incomplete, YOUR BID WILL NOT BE CONSIDERED FOR AWARD until you furnish all the information. DO NOT USE "COMPLY", "YES", "OK", "SAME", an "X", a "V", a "CHECKMARK" or a "DITTO" MARK, UNLESS BIDDING EXACTLY AS STATED.

SUPPORTING DATA: Bidders must furnish catalog pages, specification sheets, or similar data to support statements made in the BIDDER'S RESPONSE column. Failure to furnish required data MAY BE CONSIDERED AS CAUSE FOR REJECTION OF BID.

Basic Requirements

Specifications:	Bidder's Response (Equal to Requirement):	
	Manufacturer:	
	Brand:	
	Model:	



**BIDDER'S RESPONSE FORM
(CONTINUED)**

Request for Quote Number:	
Requisition Number:	

Basic Requirements

Specifications:	Bidder's Response:



COMPLAINT TO VENDOR

Vendor:		Date:	
Address:			
City:		State:	
		ZIP:	
Notes to Vendor:			
1. Please respond to this complaint within ten (10) days after receipt 2. This document will be a part of your vendor file and may be used as a basis for your firm's removal as an approved vendor.			

Agency:					
Address:					
Submitted By:		Phone:			
PO Number:		PO Date:		Fiscal Codes:	
Description of Items:					

Nature Of Complaint

Delivery		Quality		Other	
A.	<input type="checkbox"/>	Delivery not made as required	G.	<input type="checkbox"/>	Product did not meet specifications
B.	<input type="checkbox"/>	Time of delivery inappropriate	H.	<input type="checkbox"/>	Unauthorized substitute delivered by vendor
C.	<input type="checkbox"/>	Delivery made to incorrect destination	I.	<input type="checkbox"/>	Unsatisfactory workmanship
D.	<input type="checkbox"/>	Improper method of delivery used	J.	<input type="checkbox"/>	Commodity lacks required inspection stamps
E.	<input type="checkbox"/>	Unauthorized delivery	K.	<input type="checkbox"/>	Damage to state property
F.	<input type="checkbox"/>	Product delivered in other than good condition			
			L.	<input type="checkbox"/>	Invoice price did not match
			M.	<input type="checkbox"/>	Weight received not compliant with invoice
			N.	<input type="checkbox"/>	Incorrect quantity shipped/received
			O.	<input type="checkbox"/>	Other: _____

Agency/Vendor Comments:
(Be accurate, complete and factual. Indicate manner in which you suggest complaint be settled.)
State Purchasing Division Comments and/or Action:



CONTRACT ASSESSMENT REPORT

Contract Number:		Effective Date:	
Description:			
Vendor:			

Delivery	Did Not Meet	Met	Exceeds	Not Applicable
a. Delivery made in accordance with requirement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Time of delivery appropriate	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. Delivery made to correct destination	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. Proper method of delivery used	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e. Authorized delivery	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f. Product arrived in good condition	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Quality	Did Not Meet	Met	Exceeds	Not Applicable
a. Met specifications	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Any and all substitutes authorized	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. Satisfactory workmanship	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. State property left in good condition	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e. Material Safety Data Sheets provided	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other	Did Not Meet	Met	Exceeds	Not Applicable
a. Invoice matched purchase order	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Weight received in compliance with invoice	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. Correct quantity shipped and received	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. Customer service	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Comments:				
Agency:	APO Signature:		Date:	



DESIGNATION OF AGENCY PROCUREMENT OFFICER

Agency:		Date:	
Address:			
City:		State:	
Phone:		Fax:	
Does this form rescind any previous form submitted to DOAS State Purchasing Division?			<input type="checkbox"/> Yes <input type="checkbox"/> No

Designated Agency Procurement Officer

Name:	E-mail Address:
<i>This person will receive all Listserv notices from State Purchasing.</i>	
APO Signature:	Date:
1. Experience in Public Procurement, contract administration, or related fields.	
2. Education or special training in business administration, law, accounting, engineering, or related fields.	
3. Knowledge of acquisition policies and procedures, including the Georgia Procurement Manual.	
4. Purchasing and ethics training courses completed to date.	

Name of Agency Head:	Signature:

Instructions for submitting form:

1. Review and attach previously submitted forms to the State Purchasing Division indicating the personnel to be deleted from our records.
2. The Agency Head or Designee should mail the "Designation of Agency Procurement Officer" form and any supporting documentation to the State Purchasing Division, Compliance and Standards Manager at the address below:

Department of Administrative Services
 State Purchasing Division
 Attn: Compliance and Standards Manager
 200 Piedmont Avenue, Suite 1308 West Tower
 Atlanta, Georgia 30334
3. The APO name and contact information will be published on the DOAS web site.

EMERGENCY JUSTIFICATION

Agency:		Date:	
APO:			
Signature:			
APO Phone Number:		PO Number:	

[illegible]

The Agency Procurement Officer or Designee must mail the “Emergency Justification” form and any supporting documentation to the State Purchasing Division, Compliance and Standards Manager at the address below:

Department of Administrative Services
State Purchasing Division
Attn: Compliance and Standards Manager
200 Piedmont Avenue - 1308 West Tower
Atlanta, Georgia 30334-9010



EXCISE TAX EXEMPTION CERTIFICATE

(Date)

The undersigned hereby certifies that

(Print Individual's Name, Title and Agency)

is authorized by the Department of Administrative Services, State Purchasing Division to execute this certificate and that the article or articles specified in the accompanying order or on the reverse side hereof, are purchased from:

_____, State of Georgia.
(Agency Name)

It is understood that the exemption from tax in the case of sales or articles under this exemption certificate of the United States, etc., is limited to the sale of articles purchase for their exclusive use, and it is agreed that if the articles purchased tax free under this exemption certificate are used otherwise or sold to employees or others, such fact must be reported to the manufacturer of the articles covered by this certificate to secure exemption will subject the undersigned and all guilty parties to a fine of not more than \$10,000 or to imprisonment for not more than five years, or both together with cost of prosecution. This certificate applies to purchases substantiated by official Purchase Order issued by:

(Agency Name)

(Signature)

(Title)



NOTICE OF AWARD/AMENDMENT

Agency/Dept.:		Date:	
Vendor Name:		Vendor ID:	
Contract Number:		Original Award Date:	
Contract Title:		NIGP Code:	
Buyer's Last Name:		Agency Open/Statewide:	<input type="checkbox"/> Open <input type="checkbox"/> Statewide

Performance Period

Effective Date:	Expiration Date:
------------------------	-------------------------

Agency				Vendor			
Address:				Address:			
City:		State:		City:		State:	
Zip:				Zip:			

Amendment

Amendment: <input type="checkbox"/> Yes <input type="checkbox"/> No	Amendment Number:
This amendment is part of the above referenced contract and is accepted under the terms and conditions thereof, except as herein amended.	

Follow-On Actions

Action:	
<input type="checkbox"/> Canceled <input type="checkbox"/> Amended <input type="checkbox"/> Renewed <input type="checkbox"/> Extended	
Effective Date:	Expiration Date:

Special Notes

Notes:

Approved By

State Purchasing Agent Name:	Phone Number:
Signature:	Date:



PURCHASE ORDER

State Agency:		Date:		P.O. Number:	
Vendor Name:		Delivery Date:		RFQ Ref No. (if applicable):	
Vendor Address:		Contact Person:		Payment Terms:	
Vendor Phone:		Vendor Fax:		Vendor E-mail:	

Deliver Items To:		Bill To:	
--------------------------	--	-----------------	--

Item No:	NIGP Code:	Description:	Qty/Unit:	Unit Price:	Total Price:

Division Director:	Division Procurement Personnel:	Agency Procurement Officer:
Account:	Organization:	Tax ID Number:
Other:		
<input type="checkbox"/> Agency Contract <input type="checkbox"/> Construction, PW, A&E <input type="checkbox"/> Exempt <input type="checkbox"/> Intergovernmental Agreement <input type="checkbox"/> Mandatory <input type="checkbox"/> Open Market Purchase <input type="checkbox"/> Sole Brand <input type="checkbox"/> Sole Source <input type="checkbox"/> Statewide Contract and Releases		



PURCHASE REQUISITION

Bill To:		Requisition Number:	
		Requisition Date:	
Delivery Address: (All bids must be FOB destination shown)		Primary NIGP Code:	
		Special Instructions:	Agency Contract: <input type="checkbox"/> Yes <input type="checkbox"/> No

Explanation:
<p>This Requisition is for:</p> <p><input type="checkbox"/> Open Agency Contract</p> <p><input type="checkbox"/> Fixed Agency Contract</p> <p><input type="checkbox"/> Open Market</p> <p><input type="checkbox"/> Construction</p>
Attachments:
See attached _____ page(s) or _____ line item(s) and attached specifications _____ pages

Contract Replacement

If the Requisition is to replace a current Agency Contract, provide the following:			
Current Vendor Name:			
Current Contract Number:		Expiration Date:	
Delivery Requested:		Purchasing Agent:	
Buyer Code:		Phone:	

Supplier

Suggested Supplier:			
Vendor TIN:		Minority:	<input type="checkbox"/> Yes <input type="checkbox"/> No
Validated Not to Exceed:	\$ _____	Cost Center/Expense Code:	

Signatures

Agency Procurement Officer Authorization:	Date:
Division Personnel Authorization:	Date:



REQUEST FOR QUOTE

Instructions: The bidder information block must be completely filled out. Failure to sign statement below by authorized representative will render bid invalid. All bids must be typewritten or printed in ink. Bidder is cautioned to carefully read the instructions and the terms and conditions on the attached sheets. Failure to adhere to these instructions and terms and conditions may result in rejection of the bid.

Date:		Contract Type:	<input type="checkbox"/> Open Market <input type="checkbox"/> Agency Contract: <div style="display: inline-block; width: 45%; vertical-align: top;"> <input type="checkbox"/> Service <input type="checkbox"/> Fixed Qty </div> <div style="display: inline-block; width: 45%; vertical-align: top;"> <input type="checkbox"/> Open <input type="checkbox"/> Lease </div>	
RFQ Number:				
Closing Date:				
Bid Type:	<input type="checkbox"/> Regular Bid <input type="checkbox"/> Sealed Bid			
Bill To:		Point of Delivery: (FOB)		
Delivery Requested: (Lead Time)		Payment Terms:	Net 30 Days (See Page 2, Terms and Conditions #2, #3 and #4)	
For Delivery in:	_____ Days	Cash Discount:	_____ % _____ Days	
Purchasing Agent:		Buyer Code:		Buyer Ph: _____

Bidder Information

Company:				
Address:				
City:	State:		ZIP:	
Phone:	Fax:			
Tax ID: (TIN or SSN)	<i>Note: Bidder must furnish a tax ID number in order to be awarded any State business.</i>			
Minority Business:	<input type="checkbox"/> Yes <input type="checkbox"/> No <i>Note: See State of Ga. Standard Terms and Conditions for definition of Minority business.</i>			
If the above address is not in Georgia, does your company maintain an office in Georgia?	<input type="checkbox"/> Yes <input type="checkbox"/> No If yes, indicate Georgia address: Address: _____ <div style="text-align: right;">City: _____ ZIP: _____</div>			

Bid Instructions

All bids are subject to the following instructions when checked:	
_____	1. The attached "Instructions and Terms and Conditions" shall apply.
_____	2. The attached Agency Contract Terms and Conditions shall apply (____) page(s).
_____	3. The attached "Special Terms and Conditions" shall apply (____) page(s).
_____	4. In conformance with the attached "Specifications" (____) page(s).
_____	5. See attached (____) page(s) of (____) line item(s).
_____	6. Equipment or supplies offered to conform to the attached: _____ Plans _____ Drawing(s) _____ Sample(s)
_____	7. Bidders must show manufacturer's name and model number for each line item offered.
_____	8. Bidders to furnish specifications and complete descriptive literature with bid.
The following statement must be signed at the time bids are submitted. Failure to sign this statement will render bid invalid.	
"I certify that this bid is made without prior understanding, agreement or connection with any corporation, firm or person submitting a bid for the same materials, supplies, or equipment, and is in all respect fair and without collusion or fraud. I understand that collusive bidding is a violation of State and Federal law and can result in fines, prison sentences, and civil damage awards. I agree to abide by all conditions of this bid, and certify that I am authorized to sign this bid for the bidder. (O. C. G. A. 50-5-67). I further certify that the provisions of the official code of Georgia annotated 45-10-20 et seq. have not and will not be violated in any respect."	
_____	_____
Authorized Signature	Date
_____	TOTAL: _____
Name (Typed or Printed)	



REQUEST TO EXCEED AGENCY DELEGATED PURCHASING AUTHORITY (DPA)

Agency:			Date of Request:	
Name of Requestor:	Title:	Phone Number:	E-Mail:	
Current DPA \$	Total Amount of Purchase (Must not exceed \$100,000):		Requisition Number:	
Item Description:				
Justification for Exceeding DPA:				
Supporting Documentation:				

Directions:

The APO should e-mail the *Request to Exceed Agency Delegated Purchasing Authority Form* and supporting documentation to the State Purchasing Division Assistant Commissioner, providing justification to exceed the DPA, the total cost of the award, and the Solicitation Number to be used for the purchase.

DOAS use only:

Request Approved?	<input type="checkbox"/> Yes	Authorization Signature:		Date:	
	<input type="checkbox"/> No	Reason:			



REQUEST TO INCREASE DELEGATED PURCHASING AUTHORITY (DPA)

Agency:		Phone:	
Address:			
City:		State:	
E-mail:			

The Agency Head or Designee must complete this Request to Increase Delegated Purchase Authority form along with the following five (5) pages of the "Agency Planning Document" and submit to the State Purchasing Division.

The agency understands and accepts the responsibility of assuming a Delegated Purchasing Authority of \$100,000. The agency is committed to following the policies and procedures provided by the State Purchasing Division by designation of a qualified Agency Procurement Officer to perform the duties of purchasing with allocated state funds. It is also understood that any abuse of this authority by procurement personnel could result in a reduction or elimination of the agency's delegated dollar amount.

Signatures

Agency Procurement Officer:	Signature:	Date:
Immediate Supervisor of the APO:	Signature:	Date:
Agency/Department Head:	Signature:	Date:

Return To:

Department of Administrative Services
State Purchasing Division
Attn: Compliance and Standards Manager
200 Piedmont Avenue - 1308 West Tower
Atlanta, Georgia 30334-9010



Date: _____

AGENCY PLANNING DOCUMENT

I. Distribution of Authority

- a. Diagram or state the units or sections within the agency who currently have purchase authority without going through the central procurement function. (Use attachments if necessary.)

- b. State the agency's plans on the disbursement of this requested increased authority to the units and sections.

II. Reporting

- a. Is the central procurement unit in the agency responsible for the collection and reporting of all Purchase Orders? If not, note exception.



- b. Does the agency currently screen, monitor or audit purchases made from units outside the central procurement office? If so, please describe the function. If not, state plans if delegated dollar amount is increased.

- c. If the agency has the benefit of automation, is the office capable of providing reporting documentation. Please state the capabilities of the automated system.

- d. Is the agency in compliance with the Governor's Executive Order pertaining to the encouragement and reporting of minority participation in the State Procurement Process?

III. Personnel

- a. State the names and titles of all Procurement Officers, Buyers, and procurement clerical support personnel at this procurement office location and briefly state the education and years of purchasing experience of each. If possible, attach a current organizational chart showing all personnel.

Name:	Title:	Education and/or Purchasing Experience:



IV. Training

- a. Does your staff attend external/internal training classes and/or conferences in order to stay apprised of purchasing rules and regulations? If so, state frequency and who attends.

Name:	Frequency:	Training Course

V. Purchasing Volume

- a. What is the total annual delegated purchasing volume in dollars normally handled through this office? Breakdown by type of delegated authority, if known.

- b. What is the total annual number of Purchase Orders handled through this office?



- c. What do you estimate the additional annual number of Purchase Orders to be if increased authority is delegated to the agency?

- d. Outline plans to handle this anticipated workload if the DPA is increased.

VI. Bid Procedures

- a. Does the procurement office use a printed standard Solicitation format for bids conducted by your agency? If so, attach a sample copy of your form along with the pre-printed terms and conditions.

- b. Has a bid file been established according to the due date? Briefly outline procedure used for handling pending bid openings.



- c. Does the agency have a date/time stamp in a public area for receiving and opening written bids? If not, briefly outline procedure used.

- d. Does the agency use the Vendor Registration System (VRS) to “source” for the required number of qualified minority vendors? If not, briefly outline the procedure used. Does the agency use the VRS to view vendor profiles? Explain what criteria are used for bidder selection and resources for compiling this data.

- e. Does your agency use the Georgia Procurement Registry (GPR) to post bids? Does the agency use the GPR for any other purpose (e.g. NIGP searches, obtain vendor information). Please explain.



SOLE BRAND

SOLE BRAND JUSTIFICATION: A purchasing situation in which only one brand of equipment/supply, etc. will meet the requirements of a User Agency. Sole Brand purchases usually can be competitively bid.

Request Number:		Date:	
Proposed Source:			

Scope of Work: (Description of materials/service to be provided)

Sole Brand Justification: (Explain why only a particular style, model, type or manufacturer is acceptable, for example, to match existing uniforms.)

Signatures

Name of Originator:	Signature:
Agency Procurement Officer:	Signature:
Department Head:	Signature:



SOLE BRAND INSTRUCTIONS

Before making a determination of Sole Brand, the Agency Procurement Officer (APO) should undertake reasonable research to determine if other products, equipment, services, etc. exist which can also meet the Agency's needs in a timely manner. Sound procurement practice requires that Sole Brand procurement be used only as a last resort when all other resources have failed.

In a Sole Brand situation, the APO is to complete this form and attach it to the appropriate file when the procurement is handled at the agency level; or attach it to the Purchase Requisition form when the procurement is to be handled by the State Purchasing Division.

Sole Brand justification may be acquired from the end-user or the APO, and should state why the particular item is needed and why no other brands/models will be acceptable.

Request Number: Provide the Purchase Requisition or Purchase Order Number.

Proposed Source: Provide the name and telephone number of the supplier (service) or manufacturer (item).

Scope of Work: Provide the information to establish the context of the sole brand, for example, the function of the item or service. Indicate where and how the item or service is to be used, operational environment, previous experience or history, etc. Use layman's terms to identify any efforts made to locate other possible sources such as review of Thomas Register, Industry Organizations, Internet searches, Consultants, RFIs, Buyers Laboratory, Advertisements in Industry Publications, contact with Buyer, etc.

Sole Brand Justification: Some requirements may need to be provided by a certain manufacturer (for example: "to match existing uniforms"). Use this block to explain why only a particular style, type or manufacturer is acceptable. A request for "Sole Brand" does not automatically eliminate bidding requirements, as the item may be available from more than one vendor.



SOLE SOURCE

SOLE SOURCE JUSTIFICATION: A purchasing situation in which a procurement is only available from one source.

Request Number:		Date:	
Proposed Source:			

Scope of Work: (Description of materials/service to be provided)

Exclusive Capability: (Description of Proposed Source's unique capabilities and /or personnel to perform this work; and why this is the only source available)

Signatures

Name of Originator:	Signature:
Agency Procurement Officer:	Signature:
Department Head:	Signature:



SOLE SOURCE INSTRUCTIONS

In a Sole Source situation, the Agency Procurement Officer (APO) is to complete the Sole Source Form and attach it to the appropriate file when the procurement is handled at the agency level; or attach it to the Purchase Requisition form when the procurement is to be handled by the State Purchasing Division.

Sole Source justification must also include Sole Brand justification and a letter from the Original Equipment Manufacturer (OEM).

- Request Number:** Provide the Purchase Requisition or Purchase Order Number.
- Proposed Source:** Provide the name and telephone number of the supplier (service) or manufacturer (item).
- Scope of Work:** Provide the information to establish the context of the sole source, for example, the function of the item or service. Indicate where and how the item or service is to be used, operational environment, previous experience or history, etc. Use layman's terms to identify any efforts made to locate other possible sources, such as review of Thomas Register, Industry Organizations, Internet searches, Consultants, RFIs, Buyers Laboratory, Advertisements in Industry Publications, contact with Buyer, etc.
- Exclusive Capability:** Describe the proposed supplier's unique capabilities and explain why this is the only source available. Provide specifics.

Following are examples in which Sole Source could be acceptable.

- Only the proposed source can furnish the services because of its previous Agency/Institute experience. Having an alternative source duplicating these capabilities would result in excessive cost to Agency/Institute. (Excessive cost must be quantified).
- Only one supplier can satisfy the technical requirements because of unique technical competence or expertise. (Technical requirements must be valid and verifiable.)
- The item does not satisfy the requirements for Sole Source, but the use of any other manufacturer's product would result in excessive cost to Agency/Institute. (Excessive cost must be quantified).
- Only one source possesses patents or exclusive rights to furnish the item or service (for example, the product is only available from the manufacturer, etc.) or only one supplier has the ability to furnish the item or service.
- Other extenuating circumstances or considerations include, as applicable, adverse impact on Agency/Institute of not using the proposed source, and other considerations not previously stated.

Section 2: Sample Contract Clauses

2.1 Subcontracts/Assignment Clause

Except as may be specifically permitted by the RFP, contractor shall not subcontract, assign or otherwise permit anyone other than contractor personnel to perform any of the work and/or provide any of the deliverables under this contract, or assign any of its rights or obligations hereunder, without the prior written consent of _____; provided, however, contractor may assign this contract to a successor corporate entity upon providing written notice to _____ and agreement by the successor entity to be bound by all of the terms and conditions of the contract. No subcontract which contractor enters into with respect to the performance of work and/or provision of deliverables under the contract shall in any way relieve contractor of any responsibility for any performance under the contract. Contractor shall give _____ immediate notice in writing by registered or certified mail of any action or suit filed against it by any subcontractor, and prompt notice of any claim made against contractor by any subcontractor or vendor which in the opinion of contractor may result in litigation related in any way to this contract with the state of Georgia.

2.2 Payment Clause

For and in consideration of the deliverables provided pursuant to this agreement, _____ shall pay contractor the cost specified in contractor's proposal upon submission by contractor of a monthly invoice that complies with the requirements set forth in the RFP subject to approval by _____, the monthly invoices will be paid by _____ within thirty (30) days of the date the invoice is received by _____.

2.3 Payment Clause (Hourly Billing)

Payment shall be made by _____ to contractor for services, which are actually performed in accordance with this contract. The amounts and terms for payment shall be \$_____ per hour, not to exceed _____ hours per year. Total labor shall not exceed \$_____ dollars and expenses shall not exceed \$_____ dollars. Total contract amount shall not exceed \$_____ dollars. Contractor shall be reimbursed for only those expenses, which shall be deemed by DOAS as actually and necessarily expended in connection with the performance of this contract and evidenced by receipts. Examples of such expenses are transportation, lodging, meals and mileage.

The contract rates specified shall not be increased at any time for the duration of this contract. In no event shall the total payments made hereunder exceed the amount of \$_____ dollars unless amended in writing in accordance with this contract. State vehicles will not be used by contractor personnel for the performance of services

under this contract and contractor shall be responsible for providing transportation necessary to perform services under this contract. The agency will pay contractor for mileage used by contractor personnel in driving their vehicles or contractor's vehicles for the purpose of performing this contract. Contractor shall be responsible for reimbursing contractor personnel for such mileage. Such mileage will be paid at the rates and under the terms and conditions set out in the policies governing agency employees. Charges shall be paid by _____ to contractor based on _____ approval and acceptance of the invoice relating to those charges. Within thirty (30) days after receipt and verification of such invoices, payment shall be made by _____. Invoices shall be submitted in triplicate to:

Title/license of materials produced. Except as otherwise expressly stated in this contract, all material produced by contractor in the performance of this contract, including but not limited to software, charts, graphs, diagrams, video tapes and other project documentation shall belong to the state of Georgia.

Severability. Any section, subsection, paragraph, term, condition, provision or other part (hereinafter collectively referred to as "part") of this contract which is judged, held, found or declared to be voidable, void, invalid, illegal or otherwise not fully enforceable shall not affect any other part of this contract, and the remainder of this contract shall continue to be of full force and effect. Any agreement of the parties to amend, modify, eliminate or otherwise change any part of this contract shall not affect any other part of this contract, and the remainder of this contract shall continue to be of full force and effect.

2.4 Limitation of Liability Clause

Except as otherwise provided in this contract, contractor shall not be liable to SPD and the State of Georgia for remote or consequential damages. Except as otherwise provided in this contract, liability to _____ and the State of Georgia for any and all claims of damages arising out of this agreement shall be limited to direct damages and shall not exceed the total amount paid to contractor for the performance of this contract. No limitation of contractor liability shall apply to contractor's liability for loss or damage to State of Georgia equipment or other property while such equipment or other property is in the sole care, custody and control of contractor personnel. Contractor hereby expressly agrees to assume all risk of loss or damage to any such State of Georgia equipment or other property in the care, custody and control of contractor personnel. Contractor further agrees that equipment transported by contractor personnel in a vehicle belonging to contractor, personnel (including any vehicle rented/leased by contractor or contractor personnel) shall be deemed to be in the sole care, custody and control of contractor personnel while being transported.

Nothing in this section shall limit contractor's indemnification liability arising from claims brought by any third party against _____ and the state.

2.5 Termination Clause

- A. _____ reserves the right to terminate this agreement for any reason upon giving sixty (60) days written notice to contractor. In the event that the written notice of termination pursuant to this section states that termination is for the convenience of _____, contractor shall be entitled to payment for 1) reasonable costs incurred through the date of the notice of termination (not the effective date of termination) and 2) charges for deliverables provided to _____ through the effective date of termination but only to the extent that funds designated for the deliverables are available to make payment.
- B. In the event that contractor breaches any term or condition of the agreement or any other event occurs which demonstrates a reasonable likelihood that contractor is unable or unwilling to fulfill its obligations under this agreement, _____ shall be entitled to immediately terminate this agreement. In the alternative, _____, in its sole discretion, may, upon request from contractor, provide contractor with twenty (20) days written notice that contractor may avoid termination of the agreement by curing, to the satisfaction of _____, the breach(es) identified in the written notice within a specified period not to exceed twenty (20) days. The determination of _____ as to the appropriateness of allowing contractor an opportunity to cure, and as to the time allowed for any such cure, shall be conclusive, based on consideration of the circumstances of the breach; on the consequences of the breach as to security and other critical aspects of operations, and, on the time constraints existing at the time of such breach. Any allowance of an opportunity to contractor to cure a specific breach shall not operate as a waiver by _____ of its right to refuse such an opportunity to cure in the event of any other breach, and shall not establish any course of dealing or performance between the parties.
- C. This agreement shall be immediately terminated in the event that any of the following occurs:
1. Contractor becomes insolvent or liquidation or dissolution of contractor begins;
 2. A voluntary or involuntary bankruptcy petition is filed by or against contractor under the U.S. bankruptcy code or any similar petition under any state insolvency law;
 3. An assignment is made by contractor for the benefit of creditors; or
 4. A proceeding for the appointment of a receiver, custodian, trustee or similar agent is initiated with respect to contractor.

- D. All records in the possession, custody or control of contractor, as they relate to the deliverables provided under this agreement, are the property of _____ and will be returned to _____ at no cost upon termination of this agreement.

2.6 Funding Clause

Notwithstanding any other provision of this agreement, the parties hereto acknowledge that _____, as an agency of the State of Georgia, is prohibited from pledging the state's credit. In the event that the source of payment for the total obligation no longer exists or is insufficient with respect to the deliverables, this agreement shall terminate without further obligation of _____ as of that moment. The determination of _____ of the events stated above shall be conclusive.

2.7 Contractor Accounting Requirements Clause

Contractor agrees to maintain books, records, documents, and other evidence pertaining to the costs and expenses of this agreement (collectively the "records") to the extent and in such detail as will properly reflect all payments received under this agreement. Contractor's accounting procedures and practices shall conform to GAAP and the costs properly applicable to the agreement shall be readily ascertainable there from.

Records retention clause

Contractor agrees to make available at all reasonable times during the period set forth below any of the records of the contracted work for inspection or audit by any authorized representative of DOAS or the Georgia state auditor. Contractor shall preserve and make available its records for a period of five (5) years from the date of final payment under this agreement, and for such period, if any, as is required by applicable statute, by any other paragraph of the RFP or this agreement. If the agreement is completely or partially terminated, the records relating to the work terminated shall be preserved and made available for a period of five (5) years from the date of any resulting final settlement. Records which relate to appeals, litigation, or the settlements of claims arising out of the performance of this agreement, or costs and expenses of any such agreement as to which exception has been taken by the state auditor or any of his duly authorized representatives, shall be retained by contractor until such appeals, litigation, claims or exceptions have been disposed of.

Compliance with all Applicable Laws and Standards

In the performance of all work under this agreement, contractor shall comply with any and all laws and ordinances, and any and all rules, regulations and orders of public authorities hereto, whether federal, state or local. Contractor shall also comply with all applicable standards, policies and guidelines of the _____, or of any other organization or agency which govern the operations of the _____, including but not limited to those specified in the RFP.

2.8 Insurance Clause Sample 1

The following insurance coverage shall be obtained and maintained by contractor throughout the duration of the agreement. Except as otherwise expressly provided herein, all policies must be on an "occurrence" basis. All policies shall provide that contractor and its insurer(s) waive any right of subrogation against _____ and the State of Georgia.

A. Insurance Certificate:

Contractor shall procure and maintain insurance which shall protect the contractor and the state from any claims for bodily injury, property damage, or personal injury which may arise out of operations under the agreement. Contractor shall procure the insurance policies at the contractor's own expense and shall furnish the state an insurance certificate listing the state as certificate holder. The insurance certificate must document that the liability insurance coverage purchased by the contractor includes contractual liability coverage to protect the state. In addition, the insurance certificate must provide the following information:

1. Name and address of authorized agent
2. Name and address of insured
3. Name of insurance company (licensed to operate in Georgia)
4. Description of coverage in standard terminology
5. Policy period
6. Limits of liability
7. Name and address of certificate holder
8. Acknowledgment of notice of cancellation to the state
9. Signature of authorized agent
10. Telephone number of authorized agent
11. Details of policy exclusions in comments section of insurance certificate

B. Contractor also agrees to provide an insurance certificate to document that the following types of insurance coverage have been purchased by the contractor:

1. Workers' compensation insurance (occurrence) in the amounts of the statutory limits as established by the general assembly of the State of Georgia. (A self-insurer must submit a certificate from the Georgia board of workers' compensation stating the contractor qualifies to pay its own workers' compensation claims.) In addition, contractor shall require all subcontractors occupying the premises or performing work under this agreement to obtain an insurance certificate showing proof of workers' compensation coverage.

2. Commercial general liability policy (occurrence), to include contractual liability. The commercial general liability policy shall have dollar limits sufficient to insure that there is no gap in coverage between this policy and the commercial umbrella policy required in this agreement.
3. Business auto policy (occurrence), to include but not be limited to any owned, non-owned and hired auto liability. The business automobile policy shall have dollar limits sufficient to insure that there is no gap in coverage between this policy and the commercial umbrella policy required in this agreement.
4. Commercial umbrella policy (occurrence), which must provide the same or broader coverage than those provided for in the above commercial general liability and business auto policies. Policy limits for the commercial umbrella policy shall have an annual aggregate limit of \$_____.
5. Professional liability policy (claims made) which will be required on all privately contracted medical professionals (for example, physicians, nurses, psychiatrists, dentists, and pharmacists). Policy limits shall be \$_____ annual aggregate. This policy (and any required tail coverage) must provide and maintain a retroactive date to the date on which the contract commences as set forth in paragraph _____. When the contract is terminated or otherwise expires, the contractor must provide a five-year tail for reporting claims.

The foregoing policies shall contain a provision that coverage afforded under the policies will not be canceled, or not renewed or allowed to lapse for any reason until at least thirty (30) days prior written notice has been given to _____. Certificates of insurance showing such coverage to be in force shall be filed with _____ prior to commencement of any work under this agreement. The foregoing policies shall be obtained from insurance companies licensed to do business in Georgia and shall be with companies acceptable to _____. All such coverage shall remain in full force and effect during the initial term of the agreement and any renewal or extension thereof.

2.9 Insurance Clause Sample 2

Insurance. The following requirements shall be adhered to by contractors throughout the duration of the contract, and as may otherwise be specified herein. Contractor shall procure and maintain insurance, which shall protect the contractor and the state from any claims for bodily injury, property damage, or personal injury which may arise out of operations under the contract. Contractor shall procure the insurance policies at the contractor's own expense and shall furnish the state an insurance certificate of the coverage required in this section listing the state as certificate holder. In addition, the insurance certificate must provide the name and address of the insured, name, address, telephone number and signature of the authorized agent; the name of the insurance company (licensed to operate in

Georgia); a description of coverage in detailed standard terminology (including policy period, limits of liability, exclusions and endorsements); and, an acknowledgment that notice of cancellation is required to be given to the state. Contractor is required to obtain and maintain the following types of insurance coverage for the duration of the contract:

A. Workers' Compensation Insurance:

The purpose of Workers' Compensation Insurance is to insure the statutory limits as established by the general assembly of the state. (Note: A self-insurer must submit a certificate from the Georgia state board of workers' compensation stating the contractor qualifies to pay its own workers' compensation claims.) The workers' compensation policy must include coverage with employer's liability limits of:

Bodily injury by accident	\$500,000 each accident
Bodily injury by disease	\$500,000 each employee
	\$1,000,000 policy limits

Contractor shall require all subcontractors performing work under this contract to obtain an insurance certificate showing proof of workers' compensation coverage.

B. Commercial General Liability Policy:

Combined single limits:	\$1,000,000 per person
	\$3,000,000 per occurrence

The commercial general liability policy shall include contractual liability coverage to protect the state and must be on an "occurrence" basis.

C. Business Automobile Liability Policy:

Combined single limits:	\$1,000,000 per person
	\$3,000,000 per occurrence

D. Malpractice/professional liability policy with EDP and errors and omissions coverage:

Notwithstanding any other provisions herein to the contrary, the malpractice/professional liability policy with EDP and errors and omissions coverage may be on a "claims made" basis. It must provide liability limits of:

	\$3,000,000 per occurrence
--	----------------------------

Except as otherwise expressly stated herein, all policies must be on an "occurrence" basis.

The foregoing policies shall contain a provision that coverage afforded under the policies will not be canceled, or not renewed or allowed to lapse for any reason until at least thirty (30) days prior written notice has been given to DOAS. Certificates of insurance showing such coverage to be in force shall be filed with DOAS no later

than fourteen (14) calendar days after the commencement of any work under this contract. The foregoing policies shall be obtained from insurance companies licensed to do business in Georgia and shall be with companies acceptable to DOAS. It shall be the responsibility of contractor to require any subcontractor to secure the same insurance coverage as prescribed herein for contractor, and to obtain a certificate or certificates evidencing that such insurance is in effect. In addition, contractor shall indemnify and save harmless DOAS from any liability arising out of contractor's or subcontractor's untimely failure in securing adequate insurance coverage as prescribed herein. All such coverage shall remain in full force and effect during the initial term of the contract and any renewal or extension thereof.

2.10 Indemnification Clause

Contractor hereby waives, releases, relinquishes, discharges and agrees to indemnify, protect and save harmless the State of Georgia (including the state tort claims trust fund), _____, DOAS, their officers and employees (collectively "indemnitees") of and from any and all claims, demands, liabilities, loss, costs or expenses for any loss or damage for bodily injury (including but not limited to death), personal injury and property damage caused by any act or omission of contractor, its employees, agents, subcontractors or any other party acting on behalf of contractor (collectively, the "indemnity claims").

This indemnification extends to the successors and assigns of the contractor, and this indemnification and release survives the termination of this agreement and shall also survive the dissolution or, to the extent allowed by law, the bankruptcy of the contractor.

If and to the extent such damage or loss as covered by this indemnification is covered by the state tort claims fund or any other self-insurance funds maintained by the Department of Administrative Services (collectively, the "funds"), the contractor agrees to reimburse the funds for such funds paid out by the funds. To the full extent permitted by the constitution and the laws of the State of Georgia and the terms of the funds, the contractor and its insurers waive any right of subrogation against the State of Georgia, the indemnitees, and the funds and insurers participating thereunder, to the full extent of this indemnification.

Contractor shall, at its expense, procure the insurance policies required by this agreement, in coverage amounts as specified in this agreement, with endorsements waiving rights of subrogation against the state, the indemnitees, the funds and insurers participating thereunder.

Contractor shall, at its expense, be entitled to and shall have the duty to participate in the defense of any suit against the indemnitees. No settlement or compromise of any claim, loss or damage asserted against indemnitees shall be binding upon indemnitees unless expressly approved by the indemnitees.

2.11 Drug-Free Workplace Clause

Contractor hereby certifies as follows:

1. Contractor will not engage in the unlawful manufacture, sale, distribution, dispensation, possession, or use of a controlled substance or marijuana during the performance of this agreement.
2. If contractor has more than one employee, including contractor, contractor shall provide for such employees a drug-free workplace, as defined under Official Code of Georgia Annotated ("O.C.G.A.") sections 50-24-2(5) and 50-24-3(b), throughout the duration of this agreement.
 - a. Contractor will secure from any subcontractor hired to work in a drug-free workplace the following written certification:
 - b. As part of the subcontracting agreement with (contractor's name), (subcontractor's name) certifies to contractor that a drug-free workplace will be provided for the subcontractor's employees during the performance of this agreement pursuant to paragraph 7 of subsection b of O.C.G.A. 50-24-3.
 - c. Contractor may be suspended, terminated, or debarred if it is determined that:
 - d. Contractor has made false certification hereinabove; or
 - e. Contractor has violated such certification by failure to carry out the requirements of Official Code of Georgia section 50-24-3.

2.12 Taxes Clause

Contractor will forthwith pay all taxes lawfully imposed upon it with respect to this agreement. By this paragraph, _____ makes no representation whatsoever as to the liability or exemption from liability of contractor to any tax imposed by any governmental entity.

The RFP (and any documents referenced therein) and contractor's proposal (including any best and final offer) are incorporated into this agreement by reference and form an integral part of this agreement. In the event of a conflict between the language of the RFP and the contractor's proposal, the language in the RFP shall govern. In the event of a conflict between the language of this agreement and any other document or instrument incorporated herein, the language of this agreement shall govern.

2.13 Cure and Cover Clause

If contractor fails or SPD reasonably concludes that there is a reasonable likelihood that contractor will not be able to timely perform all of its obligations under this contract, SPD may (in addition to any other contractual, legal or equitable remedies) proceed to take any of the following actions after five (5) days written notice to contractor:

- A. Withhold any monies then or next due to contractor; or
- B. Terminate the contract and obtain the deliverables (or equivalent) or portion thereof (or equivalent) from a third party, pay the third party for same, and withhold the amount so paid from any money then or thereafter due contractor

and hold contractor liable for any amounts paid to the third party (or parties) to the extent that withholding payments to contractor does not cover SPD's costs of cover.

- C. If _____ determines that the above nonexclusive remedies are impracticable or would cause undue delay, _____ may allow contractor to continue performance under this contract but assess liquidated damages in the amount of 1% of the total contract price for each day that contractor has failed to meet any requirement of the contract.

2.14 Reporting Requirements Clause

In addition to any reporting requirements in the RFP, contractor shall provide monthly reports to SPD to report the status of contractor's performance under the contract and contractor's progress toward fulfilling the requirements of the contract.

2.15 Relationship of the Parties Clause

Contractor warrants that all work performed by or on behalf of contractor under this contract shall be performed as an independent contractor. Contractor shall be responsible for compliance with all laws, rules and regulations involving their respective employees, including (but not limited to) employment of labor, hours of labor, health and safety, working conditions, workers' compensation insurance, and payment of wages and contractor agrees to indemnify and hold harmless _____ and the State of Georgia from any loss resulting from the breach of these warranties. This contract shall not be construed so as to create a partnership or joint venture between contractor and the state or any of its agencies.

Index

A

- Acronyms, G-1
- Administration of Contracts, 6-1
- Administrative Change Procedures, 6-7
- Agency Contracts, 3-19
 - Types, 3-20
- Agency Directory, 1-5
- Agency Guidelines and Procedures, 1-5
- Agency Procurement Officer, 2-1
 - Form, A-7
- Amendments, Notice of Award, 3-22
- Anti-Competitive Practices, 3-38
- Approvals, 3-34
- Audit of Records, 3-35

B

- Beef Purchases, 9-6
- Bid Continuation Sheet, A-2
- Bidders
 - Bidder's Response Form, 4-3, A-3
- Bids
 - Contract Performance and Payment Bonds, 5-3
 - Security, 5-3
- Bonds, 5-3

C

- Change Management, 6-7
- Change Orders, 5-4
- Closeout, 6-12
- Complaint Responses, 6-14
- Complaint to Vendor, 6-13, 6-14, A-5
- Construction, 5-1
 - Change Orders, 5-4
 - Contract Performance and Payment Bonds, 5-3
 - Insurance and Indemnification, 5-4
- Constructive Changes, 6-8
- Contract Administrator, 6-1
- Contract Assessment Report, A-6
- Contract Clauses
 - Contractor Accounting Requirements Clause, A-28
 - Contracts, 6-15
 - Cure and Cover Clause, A-33
 - Drug-Free Workplace Clause, A-32
 - Funding Clause, A-28
 - Indemnification Clause, A-32
 - Insurance Clause, A-29, A-30
 - Limitation of Liability Clause, A-26

- Payment Clause, A-25
- Payment Clause (Hourly Billing), A-25
- Relationship of the Parties Clause, A-34
- Reporting Requirements Clause, A-34
- Sample Contract Clauses, A-25
- Subcontracts/Assignment Clause, A-25
- Taxes Clause, A-33
- Termination Clause, A-27
- Contract Specialist Responsibilities, 6-6
- Contractor Accounting Requirements Clause, A-28
- Contractors. *See also* Vendors
 - Complaints, 6-13
 - Performance, 6-13
- Contracts
 - Administration, 6-1
 - Agency, 2-6
 - Clauses, 6-15
 - Closeout, 6-12
 - Construction, 5-1
 - Contract Administration Plan, 6-3
 - Delivery of Goods, 6-4
 - Formation, 3-1
 - Kickoff Meeting, 6-2
 - Management, 6-2
 - Mandatory, 2-6
 - Multi-Year, 3-21
 - Performance and Payment Bonds, 5-3
 - Performance of Services, 6-4
 - Protests, 9-1
 - Remedies, 9-1
 - Statewide, 2-6
 - Statutory, 2-6
 - Termination, 6-9
- Cooperative Purchasing, 3-22
- Cost Principles, 7-1
- Cure and Cover Clause, A-33
- Cure Notice, 6-11

D

- Delegated Purchasing Authority
 - Defined, 2-3
 - Exceeding, 2-5, A-14
 - Increasing, 2-5, A-15
- Delivery of Goods, 6-4
- Design Specifications, 4-1
- Designation of Agency Procurement Officer, A-7
- Deviations, 1-3
- Dispute Resolution, 6-8
- DOAS
 - Authority, 2-1
 - Commissioner, 2-1

Georgia Procurement Registry, 1-4
Web Site, 1-4
Drug-Free Workplace Clause, A-32

E

Emergency Justification, A-8
Emergency Purchases, 2-6, 3-32
Ethics, 1
Exceeding Delegated Purchasing Authority, 2-5
Excise Tax Exemption Certificate, A-9
Excusable Causes, 6-10
Exemption from Federal Excise Taxes, 9-7
Exemption from State Taxes, 9-6
Exemptions from State Purchasing Requirements, 2-2
Expedited Procurement, 3-29

F

Federal Excise Taxes, 9-7
Finality of Determinations, 3-37
Fleet Management, 8-1
Forms, A-1
 Bid Continuation Sheet, A-2
 Bidder's Response Form, A-3
 Complaint to Vendor, 6-14, A-5
 Contract Assessment Report, A-6
 Designation of Agency Procurement Officer, A-7
 Emergency Justification, A-8
 Excise Tax Exemption Certificate, A-9
 Notice of Award/Amendment, A-10
 Purchase Order, A-11
 Purchase Requisition, A-12
 Request for Quotation, A-13
 Request to Exceed Agency Delegated Purchasing Authority Form, A-14
 Request to Increase Delegated Purchasing Authority, A-15
 Sole Brand, A-21
 Sole Source, A-23
Funding Clause, A-28

G

Georgia Procurement Registry, 1-4
Good Faith, 1-1
GPM
 Applicability, 1-1
 Purpose, xi

I

Increasing Delegated Purchasing Authority, 2-5
Indemnification, 5-4
Indemnification Clause, A-32
Inspection, 3-35
Insurance, 5-3, 5-4

Insurance Clause, A-29, A-30
Insurance Limits, 3-21
Interest, 9-8
Intergovernmental Relations, 10-1

K

Kickoff Meeting, 6-2

L

Laws, 1-2
Legal and Contractual Remedies, 9-1
Limitation of Liability Clause, A-26
Liquidated Damages, 6-6

M

Mandatory Purchases, 2-6
 Source, 1-5
 Statutory Sources, 2-6
Minority Owned Businesses
 Assistance, 11-1
Motor Vehicle Approval, 3-34
Multi-Year Contracts, 3-21

N

NIGP Codes, 1-4
Nonconforming Goods or Services, 6-5
Notice of Award/Amendment, 3-22, A-10
Notice of Termination, 6-12

O

O.C.G.A. *See* Official Code of Georgia
Office of Fleet Management, 3-34
Official Code of Georgia, 1-2, A-33
Open Records Act, 1-3

P

Payment Clause, A-25
Payment Clause (Hourly Billing), A-25
Performance
 Contractor, 6-13
 Services, 6-4
 Specifications, 4-1
Piggyback Cooperative Purchasing, 3-22
Pre-Bid Procurements, 3-29
Processing Invoices, 6-5
Procurement
 Agency Contracts, 3-19
 Ethics, 1
 Officials, 2-1
 Organization, 2-1
 Record Retention, 3-38

- Records, 3-35
- Training and Education, 2-7
- Procurement Officials
 - Agency Procurement Officer, 2-1
 - DOAS Commissioner, 2-1
 - State Procurement Administrator, 2-1
- Professional Associations, 2-7
- Project Manager Responsibilities, 6-5
- Proposal, Public Inspection, 1-4
- Protests, 9-1
- Public Access, 1-3
- Public Inspection, 1-4
- Purchase Order, A-11
- Purchase Requisition, A-12
- Purchases
 - By Local Political Subdivisions, 2-1
 - By State Agencies, 2-1
 - Emergency, 2-6
 - Mandatory, 2-6
- Purchasing
 - Contracts, 1-5
 - Exemptions, 2-2
- Purchasing Cards, 3-29

Q

- Qualified Products Lists, 4-2

R

- Regulations, 1-2, 2-1, A-28, A-34
- Rejection of Goods or Services, 6-4
- Relationship of the Parties Clause, A-34
- Reporting Requirements Clause, A-34
- Request for Quotation
 - Request for Quotation Form, A-13
- Request to Exceed Agency Delegated Purchasing Authority, A-14
- Request to Increase Delegated Purchasing Authority, A-15
- Retention of Procurement Records, 3-38
- Return Items, 6-5
- Right to Examine Records, 3-35
- Right to Inspect Plant, 3-35

S

- Sample Contract Clauses, A-25
- Scheduled Buys, 3-26
- Show Cause Notice, 6-11
- Small Businesses
 - Assistance, 11-1
- Sole Brand, 3-28, A-21
- Sole Source, 3-27, A-23
- Solicitation or Awards in Violation of the Law, 9-6
- Source Selection, 3-1

- SPD. *See* State Purchasing Division
- Special Approvals, 3-34
- Specifications, 4-1
 - Alternative, 4-2
 - Design, 4-1
 - Performance, 4-1
- Standard Terms and Conditions, 6-15
- State Auditor, Duties and Powers, 1-3
- State Procurement Administrator, 2-1
- State Purchasing Division
 - Authority, 2-1
 - Contacts, 1-5
 - SPD Established Contracts, 3-23
- State Taxes, 9-6
- Statewide Contracts, 3-24
 - Releases, 3-24
 - Waiver Requests, 3-24
- Subcontracts/Assignment Clause, A-25
- Substantive Change Procedures, 6-8
- Surplus Property, 3-33

T

- Taxes, 9-6
- Taxes Clause, A-33
- Technology Products and Services, Approvals, 3-34
- Termination
 - For Convenience, 6-9
 - For Default, 6-10
- Termination Clause, A-27
- Terms and Conditions, 6-15
- Training and Education, 2-7

U

- Unlawful Solicitations, 9-6
- Used Equipment, 3-33
 - Trade In, 3-34

V

- Vendors
 - Complaints, 6-13
 - Guides, 1-5
 - Registration, 1-4

W

- Web Site, 1-4
 - Agency Directory, 1-5
 - Agency Guidelines and Procedures, 1-5
 - Georgia Procurement Registry, 1-4
 - NIGP Codes, 1-4
 - Purchasing Contracts, 1-5
 - State Purchasing Division Contacts, 1-5

Vendor Guides, 1-5
Vendor Registration, 1-4
Withholding Payments, 6-6